

## **Applied Business**

Advanced GCE **A2 H426/H626**

Advanced Subsidiary GCE **AS H026/H226**

# **OCR Report to Centres**

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**January 2013**

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This report on the examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the examination.

OCR will not enter into any discussion or correspondence in connection with this report.

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## Overview

Once again the assessment team has seen some excellent pieces of work. The best portfolios and examination scripts showed detailed and critical application of current business thinking to specific business enterprises, thus embodying the very philosophy of this applied qualification. Centres should be extremely proud of the exemplary, high quality and professional standard of work which these candidates have produced.

Centres are reminded that changes in UK legislation, especially in relation to matters of workplace discrimination and the Equality Act 2010, have implications for many of the units on this qualification. Candidates will no longer be given credit for knowing outdated legislation. It is only by keeping up to date that candidates can meaningfully apply their knowledge to real business scenarios and uphold the applied nature of the course.

### Internally assessed units

Due to the low entries this series for some of the internally assessed units it is not possible to discern general trends or draw conclusions. Centres are, therefore, advised to refer to the Principal Moderators' report from the June 2012 examination series, available from the OCR website, for information relating to units not detailed in this report. In addition, centres which submitted marks for moderation this series are advised to read their individual moderation reports available from OCR Interchange.

Centres are asked to double check that the marks submitted on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit before submitting the data to OCR. It is also important to note that where a centre has ten or fewer candidates entered for a particular unit the candidates' work, and not just the corresponding MS1, should be submitted to the moderating team by the MS1 deadline. Centres should not wait for a request for the work to be sent to the Moderator as the entry is too small for sampling to be used and all portfolios need to be submitted. Centres which have more than ten candidates entered for a particular unit will receive the appropriate sample request by email. The email will be sent to the centre's registered email address. The requested sample should be submitted for moderation within three working days.

Many centres have encouraged their candidates to submit well structured pieces of coursework, with many candidates usefully using the sub-headings given in the specification to achieve such a structure. This organised approach, coupled with the use of a contents page and page numbers, facilitates the tracking of evidence which the unit demands. Detailed completion by the assessor of the teacher comments section on the Unit Recording Sheet, including the insertion of page numbers within the location section to indicate where the evidence can be found, is time well spent. Such practice makes it more likely that the Moderator can agree the centre-awarded marks.

### Externally assessed units

When under examination conditions the candidates need to ensure that they answer the question set and not a similar question which has not been set. Further, the candidates need to take additional care when a question demands an answer from a particular perspective; for example, the advantages to a business or the advantages to a customer or the advantages to employees. The indicative content for each of these perspectives is likely to be significantly different. The candidates must ensure that they answer from the correct perspective as no marks can be awarded for answering from an alternative perspective. In addition, where a question asks the candidates to evaluate, then a fully reasoned decision needs to be made, it is insufficient to make a judgement without justifying the argument.

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The nature of the Applied Business course requires that the candidates apply their knowledge and understanding to the business context given to them on the examination paper. Centres must emphasise to their candidates that, in order to achieve marks at Level 2 and above, their answers must use the context given to them in the case study, simply mentioning the name of the business is not enough. On both compulsory units (AS F242 and A2 F248) and optional AS unit (F243) this business context is pre-issued to the candidates in the form of a case study. It is essential, on these three units, that the candidates are familiar with the scenario before they commence the examination. Candidates without this knowledge are at a significant disadvantage.

Due to the low entries this series for units F256: Business law and F257: Managing risks in the workplace, it is not possible to identify general trends and therefore we are unable to issue an Examiners report for these units this series. Specific information for the other examined units is given in the following reports from the Principal Examiners. Careful reading, taking action where appropriate, should lead to candidates being well prepared for assessment in future series of this Applied Business qualification.

Centres may also find the following sources of use to them in helping to build upon good practice:

- Individual centre reports on moderation
- Past examination papers
- Previous examination series reports
- OCR Social Community for Business Studies - <http://social.ocr.org.uk/>
- Sample schemes of work and lesson plans – OCR website
- Further guidance for teachers – OCR website
- Teacher assignments for each unit – OCR website
- Exemplar portfolio work – OCR website.

## F242 Understanding the Business Environment

### General Comments

Good use of the case study was evident in the majority of candidates' responses, especially on the higher tariff level of response assessed questions which most answered at length. The advantages and disadvantages of the two proposals were also clearly understood and were, in the main, analysed well. However, the quality of the responses to Question 2 suggested that most candidates needed to improve their understanding of the nature of the different types of co-operatives which exist in the business world today.

Candidates' performance on the cash-flow forecast was excellent, the calculation of profit appeared to be better understood in comparison with previous examination series. Most candidates demonstrated a good understanding of percentages on the variance analysis aspect of the question paper.

### Comments on Individual Questions

**1** Most candidates were able to identify and explain constraints imposed on a franchisee by a franchisor. Credit could not be given for vague answers such as franchisees have to pay 'fees' without clarifying what these fees are or where disadvantages such as 'other franchisees might give Beacon's View a bad image' as the question asked for constraints on working practices. Good answers used specific business terminology.

**2** Some candidates were able to demonstrate their understanding of this type of organisation. There were a good number of contextualised answers such as 'Pete and Kay being novice hoteliers', as well as the advantages of being advertised on the co-operative's website. Incorrect responses were seen when candidates had the misconception that co-operatives, per se, have limited liability.

**3(a)** Most candidates were able to correctly calculate the profit figure required within this part of the question.

**3(b)** To gain marks candidates should avoid giving responses which apply to all planning tools, e.g. figures are estimates and, therefore, are not accurate.

**3(c)(i)** Most candidates were able to identify three correct costs from the list given in this part of the question.

**3(c)(ii)** The impact of an increase in VAT was generally well understood. However, credit could not be given for vague answers such as 'cost will increase'.

**3(d)** Candidates' understanding of how economic factors impact on businesses was good. The impact of these factors on Beacon's View was generally well-analysed showing a good understanding of the nature of the business. To reach the higher Level 4 marks candidates needed to evaluate and suggest the most influential economic factor impacting on Beacon's View.

**4** Most candidates were able to identify and explain the strengths and weaknesses of Pete's proposal. External factors proved to be more challenging, especially opportunities. These must be external, so answers such as 'Beacon's View will be able to cater for larger groups' were not acceptable as it is an internal decision. As the question asked for the SWOT for Pete's proposal, any factors pertaining to the existing business or to Kay's proposal were not acceptable.

**5** Most candidates appeared to have good understanding of the different sources of finance appropriate to Pete's proposal. To achieve marks at Level 3 they needed to analyse the source(s) suggested. Whilst most candidates realised that they were required to recommend the most suitable source of finance, Level 4 could not be awarded without previous analysis. Bank loans and retained profits were the two most common answers.

**6(a)(b)** Most candidates were able to answer these two sub-parts of the question correctly, thus gaining full marks.

**6(c)** The majority of the answers to this part of the question showed a good understanding of the importance of cash-flow forecasts for businesses as a way of monitoring performance. The use of cash-flow forecasts as an investment appraisal tool, however, was often poorly understood. A common misconception of cash-flow forecasts as a tool for showing profit and loss is still evident.

**6(d)(i)** This part of the question asked for a type of software; therefore, any brand name of software suggested was not awarded.

**6(d)(ii)** Some candidates explained how the storage of data could be improved, but such answers were not acceptable as the question asked for 'how the production of documents could be improved'.

**6(e)** This part of the question required the candidates to identify two disadvantages of using IT. Candidates who did not gain full marks failed to outline the disadvantages clearly e.g. 'it is very expensive' was not awarded. Answers which referred to human errors were also not accepted.

**7(a)** A good proportion of the candidates gained full marks on this part of the question by showing a sound understanding of variance analysis and the correct calculation of the variances.

**7(b)** This was another part of the question which candidates answered well.

**8(a)** Most candidates were able to identify two reasons for ethical practices. However, explanation proved to be more difficult, especially for weaker candidates who struggled to elaborate on their answers.

**8(b)** This part of the question required the candidates to state actions which could be taken by the local community if they are dissatisfied with a business. Answers which referred to the interests of the local community were, therefore, unacceptable. Some candidates also responded from the wrong angle, i.e. how a business could affect the local community.

**9** Most of the responses to this question were in context and showed the candidates' sound understanding of the issues highlighted in the case study. The advantages of Kay's proposal were analysed well by the majority of the candidates. To gain marks in Level 4 the candidates needed to suggest the most important factor leading to the adoption of Kay's proposal. Common errors were where when the candidates had considered the negative issues with Kay's proposal and the positives with Pete's proposal and/or coming to a judgement of whether they had made the right decision.

## F243 The Impact of Customer Service

### General Comments

The format and difficulty of this paper was commensurate with recent and previous papers. However, the low entry numbers this series has impacted on the spread of marks and the ability to comment, in the broadest of terms, on candidate responses. That said, a number of features of candidate approaches have been observed. Where these are apparent and common issues identified, comment has been made in this report, to support centre and candidate learning. This paper was responded to in a similar way to previous papers and candidates marks reflected the extent to which questions had been read properly and the candidate's ability to respond in context and, where necessary, with analysis and evaluation..

Responding to but 'not answering the question' was a particular feature of candidates' responses across all ability levels. If the question has not been interpreted properly, then the candidate may write 'well' but marks cannot be awarded. For example, a response to 'the benefit to *MMM* of replacing the different codes of practice with a single code of practice" should focus on the benefits of moving to a single code, as they refer to the business, and not generate a generic debate around the use of codes of practice or the benefits to the volunteers or customers unless that was linked back to the benefit(s) to the business. Centres are advised to remind their candidates to spend time identifying the actual meaning of each question in order to identify the specific nature of the questions set.

This is an applied qualification and as such 'contextualisation' is a very important feature, particularly on the higher tariff level questions. This contextualisation must be more than the mere mention of the company name, the name of characters in the case or the context already detailed in the question. Typically on a 12 mark question this context is required to gain more than Level 1 (maximum three marks). As such 75% of the marks available will rely on there being real context in the answer given.

Good question comprehension and the ability to respond in context are two features commented on in previous reports. However, they are worthy of a priority mention again this series, as the impact on the candidates' ability to respond having understood the question and in context played such a strong role in mark allocation this year.

Also worthy of mention would be the following issues:

- Candidates should also pay attention to unnecessary duplication in multi-part questions where a number of examples are required as a response. All too often, candidates repeat a point and do not check back to establish whether the points are significantly different enough to be worthy of individual credit. Candidates who take the time to differentiate their responses are rewarded accordingly. For example, 'feedback can be elaborated on' and 'responses can be clarified' was awarded as two separate aspects of a face to face questionnaire, as the candidate was specific in explaining the benefit.
- Attention to detail in responding to questions relating to legislation and regulation secured credit for responses. For example, 'The Health and Safety at Work Act', as opposed to the incomplete 'Health and Safety Act' which was not credited. Nor was the Disability Discrimination Act, as this has been superseded by the Equality Act.

On a very positive and pleasing note, the indicative content in most questions was accessed by candidates. The majority of the candidates completed all of the questions contained within the question paper, indicating good time management. Candidates appeared to understand the case study and were at ease applying it when they had the self-discipline to refer to it in their responses. Centres had clearly played a strong role in developing understanding of the specification content and the information provided in the pre-release material.



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The challenge appears to still be ensuring that candidates check questions and their comprehension, that they pay attention to detail, avoid duplication and most importantly of all that they link their responses to good context and work towards the higher levels of analysis and evaluation.

To this end, centres are encouraged to continue to tutor their candidates in their understanding and interpretation of the requirements of a multi-level question. Whilst some candidates did progress from Level 1 to Level 2, to Level 3 and onwards, many still do not. Grade A candidates are expected to reach Level 4 through an explicit link to the context given by the case study with sound judgment, which has clearly been contextualised.

### Comments on Individual Questions

**1 (a)** This part of the question was answered quite well. Weaker responses seen tended to repeat 'reasons' or gave very similar responses in the explanation, resulting in duplication and, therefore, a lack of credit.

**1 (b)** Similarly to part (a), this part of the question was relatively well answered, with the same vulnerability to duplication.

**1 (c)** To achieve marks on this part of the question answers needed to correctly suggest methods which would identify customer feedback.

**1 (d)** Whilst some candidates did respond well to this part of the question, some were not able to identify the range of benefits listed in the indicative content and did not write with the clarity needed to merit award.

**2 (a)** To achieve full marks on this part of the question, both of the necessary elements were required, ie. The internal customer is based in the business, first element and in receipt of a service from others within the organisation, second element.

**2 (b)** This part of the question was answered well, with strong recall of the case content.

**2 (c)** Good responses to this part of the question identified benefits to the visitors.

**2 (d)** This part of the question was generally well answered, especially when linked to the case.

**2 (e)** Candidates were able to reach analysis but then struggled to make a judgement and achieve Level 4.

**3 (a)** Marks were not awarded on this part of the question for reference to product range.

**3 (b)** This part of the question was generally well answered.

**3 (c)** Candidates had a broad range of responses they could have used although, in some cases, did not answer the question set and, as a consequence, they could not be awarded marks.

**4 (a)** To obtain full marks on this part of the question the full title of the legislation or regulation was required. Descriptions were generally well written and were appropriate for the identified item of legislation or regulation.

**4 (b)** This part of the question was generally well answered.

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**4 (c)** To obtain full marks on this part of the question responses needed to be answered in context and with the appropriate analysis and judgement for evaluation.

**5 (a)** The specific context needed was not always included in responses to this part of the question, thereby limiting the marks awarded.

**5 (b)** Whilst the majority of candidates were able to write a response in context and achieve Level 3 on this part of the question, few were able to achieve Level 4 with appropriate evaluation and judgement.

## A/S Principal Moderator's Report

The majority of centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. Centres do need to note that when entering candidates for the qualification using the code 01 this means that the centre is going to submit its work via OCR Repository. The code 02 is for postal moderation only.

Most centres did adhere to 10<sup>th</sup> January deadline for the receipt of marks to OCR and the allocated Moderator. Centres were generally also aware that for entries of ten candidates or less the portfolios of all of the candidates should be sent straight to the Moderator with copies of the marks. If a centre has ten candidates or more the sample request sent via email from OCR must be responded to within **three** days of receipt of the email. Requests for a sample are emailed to the centre's registered email address.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including the correct total marks for the unit, candidate number and centre number, teacher comments and the location of evidence, in order to facilitate the moderation process. Centres must also ensure the marks submitted to OCR for example on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

### Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or to annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made. Without this information it becomes more difficult for the Moderator to confirm the marks awarded to the candidate.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted. Possible plagiarism is becoming an increasing problem and centres must be on the lookout for work which has been copied straight from the Internet prior to submission for moderation.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. It is surprising how many candidates cut and paste diagrams and pictures from the Internet (Boston Matrix, product life cycle, Maslow's hierarchy of needs, etc.) without sourcing the evidence. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning. This also indicates to the Moderator that the work has actually been assessed accurately.

Assessors are reminded that they should make direct reference to the unit specifications when writing assignments and seeking clarification of the type of evidence candidates' are required to include within their portfolios. When assessing candidate's work Assessors should make reference to two documents – One, the performance descriptors which are found on pages 109-110 of the specification; and, two, the assessment objective amplification grids which are located on pages 112-122 of the specification.

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It was also noted that those centres which had followed the assignments written by OCR had, on the whole, been able to better structure their candidates work enabling them to access the higher grades. The teaching and learning support materials can be downloaded from the website.

There were low entries this series for the double award AS units. Centres are, therefore, advised to refer to the Principal Moderators' report from the June 2012 examination series for information relating to units not detailed in this report. This report is available on the OCR website. In addition, centres which submitted marks for moderation this series are advised to read their individual moderation reports available from OCR Interchange.

### F240: Unit 1 Creating a Marketing Proposal

The banner of the assessment evidence grid requires candidates to produce a marketing proposal to launch a new product or service. Some candidates are still failing to choose suitable products and are often merely trying to re-launch an established product. This ultimately results in candidates only changing, at best, two parts of an already established marketing mix. In some cases the product was actually currently available and the only modifications being specified were a new colour. Centres should check the suitability of candidates' proposed new products/services prior to them completing their initial research. This should help prevent candidates selecting products which are (a) unsuitable or (b) already available on the market.

Centres should also note that candidates **are not** required to **develop a brand new product**. If they do it makes their research very difficult. For example, candidates are often asking respondents if they would buy a product, eg. a 'new ice cream' when, in fact, they have no idea what it would actually look or taste like. It is much better if candidates select a product which is already available but not sold by their selected business. It could be a form of diversification.

Assessors are also required to use the witness statement supplied within the OCR specifications to justify the marks awarded for AO2. This is now located on pages 140-141 of the specification.

The banner states that candidates are required to investigate a medium to large sized business. However, it was noted that the majority of candidates in previous moderation sessions had focused on small/medium sized businesses which were locally based. This enabled them to conduct relevant research which was used to good advantage throughout their delivery of AO2. These candidates also found it easier to develop their judgements as to the likely success of their marketing proposal.

On reflection, it is now felt that candidates could extend their investigations into smaller local businesses, as long as they are able to gain sufficient information in order to meet all the assessment objectives.

### Assessment Objective One

This section, on the whole, was covered well by the majority of candidates sampled. Assessors must remember that this section does not need to be directly related to the selected business and mark band 3 marks can be achieved by the candidate who produces purely theoretical coverage which is considered to be clear and comprehensive. Candidates should be encouraged to use generic examples to help demonstrate breadth and depth of coverage of each section.

The candidates sampled this series were sometimes still struggling to explain in depth how each functional area supports marketing. Centres should note that candidates are not required to explain the specific role of each functional area; the focus must be on how it supports marketing activity. Centres must also avoid candidates discussing how functional areas work together.

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Candidates often found the use of a 'made up' scenario, for example the selected business is just about to launch a new product, helped them demonstrate a clear and comprehensive understanding of this section.

Candidates do appear to struggle with the concept of marketing objectives. Coverage of this section was often muddled with the general aims and objectives of a business. Candidates often explain the aims and objectives of their selected businesses under the heading of marketing objectives – which frequently they are not.

Candidates need to demonstrate that they understand that marketing objectives are one of the techniques a business will use to achieve its overall aims. For example, the overall aim of a business might be to increase profit by 6% over the next six months. The marketing department would then be set the objective of running an advertising campaign during, say, July and August in order to increase repeat custom of product X by 5%. Alongside this the production department would be set the objective of reducing wastage by 3% throughout the next six months. Both of these objectives would ultimately help the business achieve its initial aim of increasing profit by 6%.

The marketing mix was often covered in detail and fully explained with candidates demonstrating a clear and comprehensive understanding of this section of the assessment objective.

Candidates should be encouraged to use generic examples to demonstrate a clear and comprehensive understanding, allowing them easier access to mark band 3.

### Assessment Objective Two

Candidates must include their presentation slides, prompt cards and, where appropriate, the notes used to accompany the presentation. As mentioned above, Assessors are required to complete the witness statement supplied by OCR. The more detailed this evidence is, the easier it is for the Moderator to agree the centres' marks. Some candidates' portfolios still did not contain a witness statement or any other evidence to indicate that the presentation had actually taken place. It then becomes impossible for Moderators to agree the marks awarded for this assessment objective.

In order to achieve mark band 3, candidates' evidence must be clearly targeted to their selected customer and every section of their marketing proposal must be fully substantiated from **both** primary and secondary research.

Within their presentations, candidates must clearly state what their selected product is, how they will promote it, where they will sell it, and what price they will charge for it. These decisions must be supported by **primary and secondary research**. A lot of candidates lost marks because they merely stated what they 'might' do with no reference back to the research undertaken. An example would be –'I will charge 30-50p for my product '. The candidate has failed to state a specific price and makes no clear indication of how or why they have come to such a decision. Candidates are also required to **change** at least **three** parts of the marketing mix if they decide to develop a product which already has an established marketing mix. Centres must remind candidates to fully research their proposed methods of promotion. For example, if the candidate wishes to promote their new product in a magazine the candidate must state which one. Their decision should relate to who the target audience is for the magazine and also the readership numbers and, where possible, a link between potential costs and budget available.

Candidates should not be awarded mark band three unless they have supported at least three part of the marketing mix with both primary and secondary research. Investigate the competition is a good way of gaining further research,

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A problem seen this series was that some centres had awarded candidates mark band 3 marks with the decision being supported by an extremely detailed witness statement. The witness statement implied each part of the marketing mix had been supported by primary and secondary research. Upon further investigation into the candidates' work there was no evidence of this research in AO3 and the candidate's evidence to support the presentation also lacked this information. It then becomes very difficult for the Moderator to agree the marks awarded by the centre.

### **Assessment Objective Three**

This assessment objective had a number of inherent problems. Candidates often failed to collect their primary research from the correct target audience. If the new product is aimed at people over the age of 19, the majority of the candidate's primary research should **not** be conducted within the 16-19 age range. Another problem was candidates who had collected vast amounts of secondary research which they then failed to analyse or use.

When analysing their data candidates must make reference to section 'Research in a market' on pages 15-16 of the specification. This clearly sets out the techniques candidates are expected to use in order to complete their statistical analysis. Particular attention is drawn to the fact that candidates are required to use the marketing tools SWOT and PEST. These should be used to draw together the candidate's research and focus on the new product/service not the business. Centres should also note that the Boston Matrix, Ansoffs' Matrix and the product life cycle are **not** requirements of this unit and as such do not attract marks.

Too often candidates' analysis simply included the production of pie charts and graphs through the use of computer software and then a simple explanation which consisted of the terms 'the majority', 'most people', etc. This type of evidence can, at best, achieve the lower end of mark band 2. Candidates must be encouraged to analyse their research clearly, stating how it will inform the development of their marketing proposal. Pages and pages of internet printout do not count as analysis.

Candidates need to be aware that in order to achieve mark band 3 their suggested product, price, place and promotion must be supported through primary **and** secondary research.

### **Assessment Objective Four**

Judgements on the potential success of the marketing proposal were often weak. They lacked the depth required to achieve mark band 3. In order to achieve the higher marks, candidates must consider their proposal making two sided judgements, considering both the possibility of success and failure. This was often lacking within the work of candidates seen. Candidates should be encouraged to consider the disadvantages and advantages, short term versus long term and the internal and external impact of their proposal on their selected business.

Within this section, candidates need to focus on all the elements of their marketing proposal. For example, will the price set for the new product meet the needs of the potential consumers; will the suggested promotional campaign reach the target audience? Too often candidates just focus on the potential success of their product and forget the other three elements of the marketing mix. Candidates should make reference to the section 'How to judge potential success' found on page 17 of the specification.



**F241: Unit 2 Recruitment in the Workplace**

This unit remains quite a logistical challenge for some centres. There was evidence of very good practice, but at the other end of the scale very little evidence of candidates' own work. The best portfolios were based on jobs which were realistic for the candidate to apply for. For example, receptionists, clerical positions or part time jobs based in shops. Where inappropriate jobs had been chosen, potential applicants found it very difficult to complete application forms as they did not have the necessary qualifications for the position being interviewed. It was also rather disappointing to witness some candidates failing to take the role play situation seriously and completing application forms with inappropriate information. Centres attention is also drawn to the final paragraph under the section headed 'The recruitment process', on page 19 of the specification. It states 'Please note: candidates will be assessed both on their ability to produce relevant and appropriate recruitment documentation specific to their chosen job role and recruitment documentation relevant to the post(s) advertised by their group peers'.

Moderators find that often they are unable to distinguish between original recruitment documents, candidates' own documents or those of the group. Centres must ensure that candidates clearly label each of their documents. They need to provide a road map for the Moderator – is this document one the candidate produced or the final one which was used by the group for the interviews? It is also recommended that candidates include copies of the original documentation of the selected business so that the Moderator can assess the degree of original and individual work.

Whilst candidates can work in groups to actually perform the interview, they are required to produce individual evidence that they have met the requirements of the assessment grid. These are the documents which their AO2 mark should be based upon. There was still evidence of Candidate B designing the job advertisement, and Candidate C designing the person specification, etc. This is not acceptable. Under the sub-heading AO2 there is a flow diagram which illustrates the process candidates should follow if they are (a) working individually or (b) working in a group.

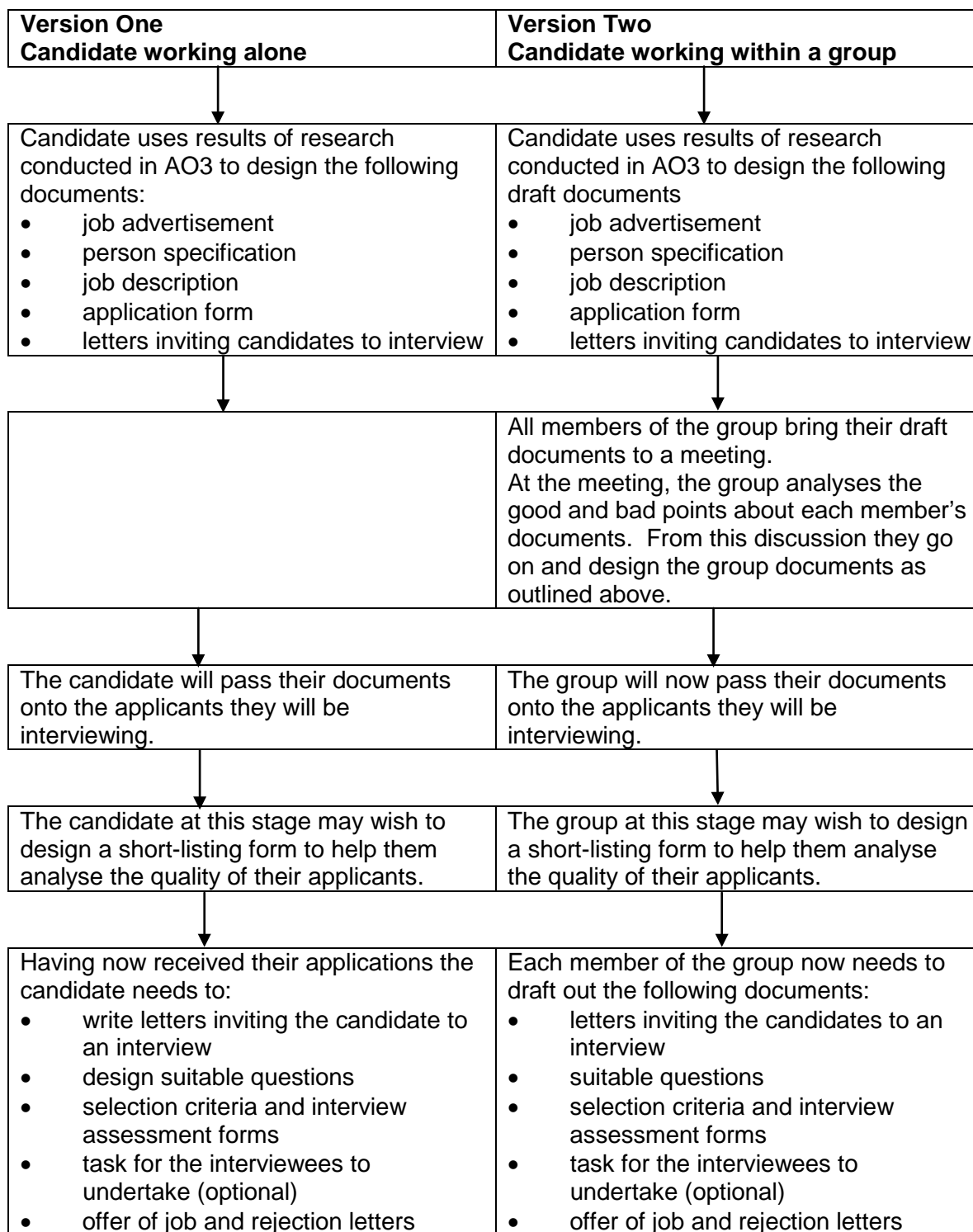
**Assessment Objective One**

The majority of candidates sampled were able to produce a detailed description of 'The recruitment process' but coverage of 'The selection process' was often patchy. Candidates do need to ensure that they cover all the required bullet points found within this section. Candidates' coverage of induction was patchy ranging from extremely detailed to simply a pure identification of the topics which would be covered in an induction programme. Candidates' coverage of motivation should focus on the section 'Employee motivation' found on page 20 of the specification. Candidates are only required to cover financial and non-financial motivators. Candidates are not expected to cover motivational theorists. Coverage of the legal framework is still the section which gives centres the most problems. Centres should also note that in the new specification candidates are now required to cover The Employment Equality (Age) Regulations 2006. Candidates do not need to describe the acts. They are required to consider how each act would impact on the recruitment and selection process. For example, when designing a job advertisement what factors would a business have to consider – could they state Young Energetic Male required? If not why not – which acts would this statement breach? How will each act affect the way in which a business conducts their interviews? What do they have to consider when designing their questions? This aspect needs to be developed if candidates are to be awarded marks in the mark band 3. Centres should also note that theoretical coverage of the section 'Job roles', is not required. Examples used to support 'The legal dimension' must also relate to recruitment and selection and not to breaches in legislation relevant to general employment law.

**Assessment Objective Two**

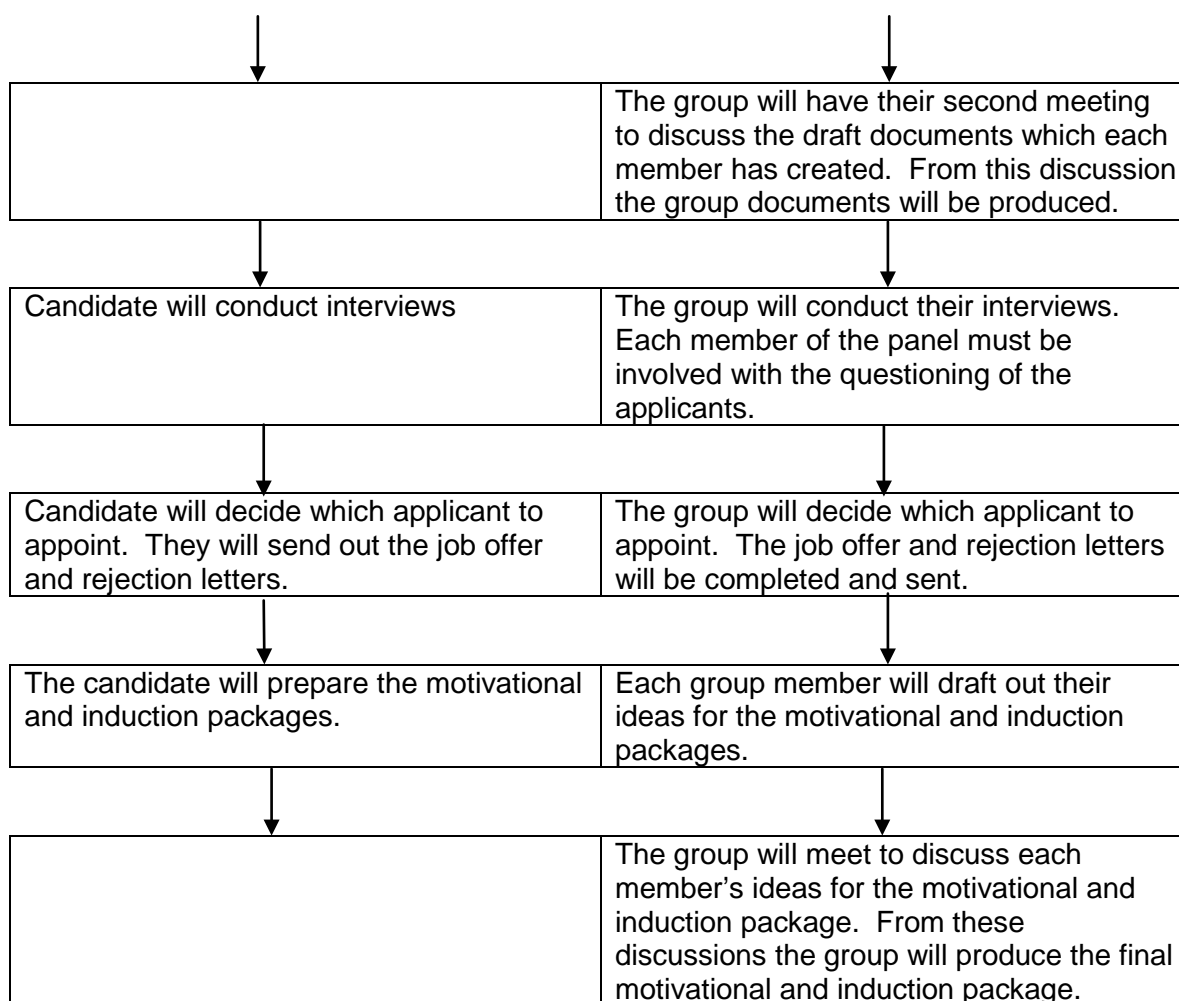
This assessment objective assesses:

- the candidates' materials produced to recruit and select an individual – including job advertisement, person specification, job description, application form, letters inviting candidates to interview, interview selection documentation;
- the actual interview;
- the motivational package;
- the induction package;
- letters informing successful and non-successful candidates.





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In order to aid the moderation process, each of the documents produced throughout the different stages must be clearly labelled within the candidate's assignment.

It is good practice to include a witness statement which identifies how the candidate conducted/performed during the interviews. This could be completed by peer observers. This evidence would also enable candidates to develop their AO4 evidence.

As stated above, candidates need to include copies of the recruitment documents they completed as part of their role as an interviewee.

### Assessment Objective Three

A number of centres still submit work where there is no evidence of research having taken place. Placing copies of other businesses' recruitment and selection documents in an appendix does not count as analysis.

In order to achieve this assessment objective, candidates need to collect at least two of the following documents:

- job advertisements;
- person specifications;
- job descriptions;
- application forms;
- different types of letters – illustrating correct business layout and terminology;
- motivational packages (if possible);
- induction packages (if possible).

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Having collected this evidence, candidates are then required to analyse each document identifying what they feel are its good and bad points and whether they conform to equal opportunity legislation. Candidates are then required to explain how this analysis has helped to inform the design of their own documents. This last stage is vital if candidates are to achieve mark band 3.

### Assessment Objective Four

The weaker candidates sampled often only made judgements about their own performance during the interview process and weak judgements concerning the documentation produced and its fitness for purpose. A new trend has seen candidates evaluating every document they produced considering its fitness for purpose. They then omit to cover the other bullet points found under section 'How to judge effectiveness' on page 21 of the specification. Candidates are not required to do this – but should be considering the whole process. This will help them consider the overall impact of potential weaknesses and strengths.

Very few candidates were able to consider the impact identified weaknesses had on their recruitment and selection documentation and subsequently how the interviewee performed at the interview. They made simple statements such as 'in our application form we did not leave enough room for the candidates to write their qualifications in'. They then failed to make a judgement about the possible impact this could have had on the interview process. Candidates must be reminded that they need to consider how each of the bullet points would impact on the effectiveness of their recruitment and selection process.

Candidates are also encouraged to make reference to the section 'How to judge effectiveness' on page 21 of the specification which develops the areas candidates could consider when making judgements concerning effectiveness.

### Recommendations to Centres

- Please continue to adhere to deadlines for submitting marks and candidate work to the appointed Moderator
- Please ensure that marks sent to OCR for example by completing the MS1 forms match the marks awarded on the Unit Recording Sheet
- Please ensure that the total marks for all strands of a unit are correctly totalled on the Unit Recording Sheet
- Please ensure that all sections of the Unit Recording Sheet have been completed accurately including candidate number, centre number, teacher comments and location of evidence
- Where there are 10 or fewer candidates for any unit, send **all** the candidate portfolios with the MS1 form to the Moderator
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- Please include page numbers within the location section of the Unit Recording Sheet
- Please encourage the use of Assessor annotation of candidate work
- Please ensure that Assessors check the authenticity of evidence. Pages downloaded and copied from the Internet do not constitute evidence- this could be plagiarism.
- Ensure that internal moderation is carried out prior to external moderation.

## F248 Strategic Decision-making

### General comments

The majority of candidates showed good knowledge of the case study and were able to use pertinent points in the scenario in order to reinforce their answers to many of the questions set. Candidates, however, need to be reminded that it is not sufficient to merely mention points from the case study in order to achieve Level 3. A Level 3 response must contain analysis – the implications to the business – impact on sales, profits, costs, customer loyalty, staff motivation etc.

Where questions required evaluation it was pleasing to see that most candidates at least attempted a conclusion. To be awarded Level 4 marks the conclusion needed to contain judgements which were specific to the factors given in the case study. These judgements must also match the question set. Candidates need to make careful note of whether the question asks 'should or should not' or 'importance' or 'usefulness' etc and tailor their conclusion accordingly.

Once again this series the numerical questions were, on the whole, well answered. Just over half of the candidate entry scored full marks on the critical path question and investment appraisal calculations.

Aspects which caused most problems on this paper were cash-flow and contingency planning. Few candidates appeared to be able to differentiate between cash-flow and profit. Likewise, many candidates still wrongly confused contingency planning (which is proactive approach to crisis management) with fire-fighting (a reactive response to a crisis).

### Comments on Individual Questions

**1(a)** This part of the question required the candidates to concentrate on the differences between aims and objectives. Many candidates stated what an aim and an objective were rather than concentrating on the differences. The best answers were simply stated, eg 'The timescale is different. Aims are long term, whereas objectives are short term' or 'Aims are broad whereas objectives are more specific'.

**1(b)** 'Motivation' and 'a target' were the two most common correct answers. Candidates should be encouraged to avoid vague responses or ones which merely state what an objective is, rather than clearly indicating a benefit.

**1(c)** Whilst most candidates did write in context they confused profit with cash-flow. It is essential that candidates are equipped with a clear understanding of both concepts and the distinction between them.

**1(d)** The three simplest ways to improve cash-flow are to reduce costs, increase income or obtain a source of finance. Some candidates gave excellent answers covering stock management and debt recovery schemes. Many, however, then went on to explain the method by incorrectly linking it to profit – limiting themselves to half marks on this part of the question.

**2(a)** This part of the question was generally well answered. Even when candidates did not achieve the correct answer, they managed to obtain one mark for giving the formula.

**2(b)** The majority of the candidates were able to explain the impact of an increase in interest rates on the company's loan payments. To achieve full marks they needed to link this to a higher break-even level.

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**2(c)** Candidates found this part of the question about the ability to reach break-even much harder than question 2(b). An increase in national unemployment rates, reducing demand for owner-occupied houses, does not directly change the break-even level; it just makes sales harder to come by and, therefore, the break-even point harder to reach.

**2(d)** Many answers to this part of the question were still too vague and on the lines of 'based on inaccurate data' or 'only a forecast'. All planning tools are based on forecasted data and these were, therefore, not valid answers to the question. Please see the mark scheme for examples of valid answers specific to break-even analysis as a financial planning tool.

**3(a)** This part of the question was generally well answered. Most candidates had a clear grasp of the meaning of the term 'internal stakeholder'.

**3(b)** Many candidates wrote down the formula for labour turnover (and were awarded one mark for doing so) but were unable to work backwards in order to find out how many workers left the company in 2012. Many candidates gave answers in the thousands. Clearly this answer was incorrect as only 180 workers were employed. Candidates should be encouraged to use estimation to work out the magnitude of the answer they would expect, or at very least check to that the answer they give could possibly make sense.

**3(c)** Most candidates were able to identify a problem of high labour turnover and explain it in sufficient detail to achieve full marks.

**3(d)** Likewise most candidates were able to suggest ways of improving labour turnover and frequently gave detailed explanations.

**4(a)** This part of the question was answered well. Where full marks were not achieved the most common error was in Node 5.

**4(b)** Whilst many candidates could complete the critical path diagram correctly in Question 4(a), far fewer were able to identify the critical path. This suggested that, whilst candidates have become more adept at the functional mechanics of completing a network diagram, they still lack some fundamental understanding of the concept itself.

**4(c)** There were a full range of answers to this part of the question – ranging from those candidates who knew a great deal about critical path analysis but never explained any of the advantages or disadvantages in context (property development) to candidates who had far more limited knowledge but were able to apply that knowledge to the context and make judgements about the usefulness of critical path analysis to *CD plc* if it decided to downsize (thus achieving Level 4 marks).

**5(a)** This part of the question was answered well. The most common error was to add rather than deduct the Year 0 Option cost.

**5(b)** The candidates appeared to have a robust understanding of payback but a rather less robust understanding of net present value.

**5(c)** The candidates found this part of the question far more difficult than Question 5(b). Few candidates were able to express any valid differences between ARR and NPV or explain the disadvantage of NPV in relation to ARR.

**6** There were some excellent evaluative responses to this question. To achieve marks beyond Level 2 the candidates needed to be able to analyse their contextualised observations. For example - explaining that downsizing would be a cheaper option than amalgamating is a Level 2 response. Continuing by explaining why cheaper matters - perhaps because the company is

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highly geared and the cheaper option would be far less risky is a Level 3 response. Another example – explaining that amalgamating is likely to lead to a more motivated workforce is a Level 2 response. Continuing by explaining why a more motivated workforce matters – perhaps linking to a reduction in absenteeism or better quality workmanship is a Level 3 response.

**7** This question required the candidates to make a decision as to whether the Finance Manager was correct. Where a decision was made, many candidates made it from an incorrect position – wrongly assuming that contingency planning meant fire-fighting and a reactive approach to a crisis. To score well on this part of the question the candidates needed to be clear that contingency planning is a proactive approach to crisis management. A contingency plan identifies possible future negative scenarios and makes plans of action for them in advance.

## A2 Principal Moderator's Report

The majority of centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. Centres do need to note that when entering candidates for the qualification using the code 01 that this means that the centre is going to submit its work via OCR Repository. The code 02 is for postal moderation only.

Most centres did adhere to the 10th January deadline for the receipt of mark to OCR and the allocated Moderator. Centres were generally also aware that for entries of ten candidates or less the portfolios of all of the candidates should be sent straight to the Moderator with copies of the marks. If a centre has ten candidates or more the sample request sent via email from OCR must be responded to within three days of receipt of the email. Requests for a sample are emailed to the centre's registered email address.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including the correct total marks for the unit, candidate number and centre number, teacher comments and the location of evidence, in order to facilitate the moderation process. Centres must also ensure the marks submitted to OCR for example on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

There were low entries this series for some of the optional A2 units. Centres are, therefore, advised to refer to the Principal Moderators' report from the June 2012 examination series for information relating to units not detailed in this report. This report is available on the OCR website. In addition, centres which submitted marks for moderation this series are advised to read their individual moderation reports available from OCR Interchange.

### Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or to annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made. Without this information it becomes more difficult for the Moderator to confirm the marks awarded to the candidate.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted. Possible plagiarism is becoming an increasing problem and centres must be on the lookout for work which has been copied straight from the Internet prior to submission for moderation.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. It is surprising how many candidates cut and paste diagrams and pictures from the Internet (Boston Matrix, product life cycle, Maslow's hierarchy of needs, etc.) without sourcing the evidence. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning. This also indicates to the Moderator that the work has actually been assessed accurately.



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Assessors are reminded that they should make direct reference to the unit specifications when writing assignments and seeking clarification of the type of evidence candidates' are required to include within their portfolios. When assessing candidate's work Assessors should make reference to two documents – One, the performance descriptors which are found on pages 109-110 of the specification; and, two, the assessment objective amplification grids which are located on pages 112-122 of the specification.

OCR has released a detailed assignment for each of the portfolio units found within the A2 specification. Centres may find it useful to make reference to these in order to help structure their own assignments. These can be downloaded from OCR's website.

### **F249: Unit 10 A Business Plan for the Entrepreneur**

The banner of the assessment evidence grid requires candidates to produce a business plan for a new business enterprise of their choice. Candidates are generally selecting smaller ventures and are able to construct realistic business plans. However, there are still a few candidates who are still selecting business ideas which are way above their capabilities; for example, a golf driving range, care home and paint balling centre.. Ideas that involve the sale of multiple items can also cause problems due to the complexity of calculating potential sales and cost of sales. These difficulties greatly limit the candidate's ability to create a **realistic** plan in order to achieve AO2. The best plans were created by candidates who had selected small enterprises based on their own knowledge, interests and experience. This point is further clarified within the Teachers Handbook on page 38 – third paragraph.

#### **Assessment Objective One**

In order to achieve this assessment objective candidates are required to provide theoretical coverage of sections 'Reasons for construction of a business plan; 'Information within a business plan (all sections) : and, finally, 'Constraints which impact on implementation'.

To help candidates achieve mark band 3 this is best tackled as an independent section with candidates using generic examples to help them demonstrate their knowledge and understanding of each of the sections. In order to complete the section 'Constraints which impact on implementation' candidates could be encouraged to relate this section to their own business idea. Clearly identifying the constraints relevant to their own business plan at this early stage will help them evaluate their impact in AO4.

#### **Assessment Objective Two**

This section is the actual business plan and, as such, should be presented as a 'stand-alone' document which could be shown to a potential stakeholder. If candidates have decided to use a business plan format provided by a third party they must ensure that it allows them to fully meet the requirements of the section 'Information within a business plan'. This could involve adapting the layout or adding extra information. The information used within the business plan must be fully supported/justified through the primary and secondary research and subsequent analysis carried out in AO3.

There were a significant number of business plans which were based on unsubstantiated ideas and comments. Some of the common problems are outlined below:

- failure to fully research media selected for advertising – for example, if a newspaper had been selected, what is its target market, what are its readership figures? How much would the advertisement cost, how long will be run?
- lack of justification for the price to be charged – what are competitors charging? Decisions should not just have been based on what 10 people stated in the candidate's primary research

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- lack of research into the machinery and equipment required. Only one set of prices researched. What would be the best buy? Why select that particular product?
- lack of justification and often unrealistic figures used for the number of the products the business would sell/number of people who would use the service. No reference to competitor numbers. Usually just based on the primary research or the candidate's own assumptions and gestations
- no research into suppliers – who are the suppliers, what is the cost to buy in products? What quantities will be required? How often will stock need to be purchased?
- no correlation between purchases and sales, especially when candidates are running sandwich and juice bars
- very few candidates considered the different stages of production in sufficient detail.
- little consideration of timing of production to meet customer needs
- break even forecasts were often difficult to understand as there was no explanation of where the figures had come from. Figures were often 'plucked out of thin air' and not based on analysis of research
- cash-flow forecasts, although completed correctly, were often based on figures which appeared to be the candidate's own assumptions and 'gestations.' Candidates **must fully justify** their sales and expenses.

These points are further clarified within the Teachers Handbook on pages 38-39.

### Assessment Objective Three

Centres should pay attention to the section 'Appropriate research for a business plan' on page 50 of the specification. This clearly states that candidates 'need to ensure that research is wide-ranging'. This must include both primary and secondary research as laid out within this section.

Candidates are required to analyse the information, drawing out key information which should be included in their business plan. Candidates should be advised that in order to access the higher marks, every decision should be supported by at least two different types of research.

Candidates too often relied solely on their limited primary research to inform decisions within their business plan. Some business plans were based on extremely limited research and lacked any sense of viability or realism. Clarification of the depth of analysis required is further explained within the Teachers Handbook pages 38-39.

Candidates are required to use a variety of statistical techniques when analysing their data. The frequent use of '10 out of 20 stated', and 'the majority of respondents said' will only achieve mark band 1 for analysis. Frequently, candidates produced pages of computer generated graphs and charts which lacked analysis and gained no marks. Candidates should be drawing conclusions throughout their analysis of the primary and secondary data which will then be used within their own business plans.

### Assessment Objective Four

In order to achieve this assessment objective, candidates are required to prioritise the constraint which they feel will have the greatest impact on their business plan. This was lacking in the work of the weaker candidates. If there is no evidence of prioritisation candidates cannot achieve mark band 3. Prioritisation is not just putting the headings in order and stating I think this will have the greatest impact. This is only ranking – to move into prioritisation the candidate needs to state why the selected heading will have the greatest or least impact on the business plan.

Having prioritised the constraints, candidates must then consider the impact each one would have on the implementation of their plan. Reference to initial research must be made. Candidates were unable to access the higher grades as they often failed to consider the 'knock on' effect which a constraint might have on other aspects of their business plan. For example, if



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we consider finance as the main constraint - without adequate funds the business may not be able to undertake the marketing it initially identified. This might then limit the number of customers who would become aware of the business and, hence, decrease the number of sales. Candidates often only considered 'short term' impacts, failing to consider the 'long term' implications of some constraints. For example, economic and environmental concerns are currently headline news and possible legislation could have an impact on the business in the long term. Under the heading social some candidates were considering social responsibility rather than social trends.

### **F251: Unit 12 Launching a Business On-line**

The interpretation of the evidence candidates need to produce has caused a number of centres a few problems. The banner clearly states that – 'You will produce an e-commerce strategy for a business which has yet to develop e-commerce provision'. Some centres had selected businesses which already have a website and provide the facilities for customers to purchase their products on line. The subsequent consequence of this was that candidates were merely reiterating what the business was already doing.

Candidate's success in this unit is going to be linked to the selection of the correct business. It is a unit which could lend itself to a case study, as long as it is sufficiently detailed to enable candidates to access the higher marks available.

#### **Assessment Objective One**

This assessment objective states – 'Your understanding of how e-commerce would be used by your chosen business, the benefits and drawbacks of e-commerce provision to your business and the issues in setting up and running a website'. Ultimately, OCR will be accepting evidence which is either linked to the selected business or presented in purely theoretical terms. Candidates need to ensure that they cover the three distinct sections 'The environment within which the strategy will take shape', 'Production of the front-end of the website', and 'Evaluation of the manageability of the back-end of the website'.

In order to help candidates achieve the higher marks, OCR would suggest that this section is tackled from a theoretical viewpoint, with candidates using a variety of examples taken from a range of different businesses to demonstrate clear and comprehensive coverage.

#### **Assessment Objective Two**

Candidates are required to produce the front end of the website, which is directly applied to the requirements of the selected business. The front end of the e-commerce strategy can be presented in one of three ways:

- PowerPoint slides;
- The Internet itself;
- Concept board with accompanying text.

It was good to see some excellent practice with candidates clearly illustrating how their website would work – this included the front page right through to the point of sale. Some candidates had only produced the home page of their website giving limited explanations of the recommended hyperlinks. As stated above, candidates need to produce a variety of slides, concepts or web pages which clearly show how at least one hyperlink would work right through to the final purchase of the product/service.

There should be clear evidence that the proposal is based on the analysis of the candidate's research undertaken in AO3.

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In order to secure top marks for this assessment objective, candidates should consider explaining how their website would meet all the bullet points listed under the section 'Production of the front-end of the website'. This will also enable the candidates to clearly link their research to their final product.

**Assessment Objective Three**

Candidates must show evidence of planning their research in order to fulfil the demands of the section 'Research of the strategy and analysis of the information that is collected'. A well laid out plan should enable candidates to correctly target their research.

Candidates' primary research should focus on questionnaires and surveys with potential customers, discussions with website designers and, finally, a discussion with the selected business concerning what it hopes to achieve through the development of an e-commerce provision.

Candidates' secondary research should analyse similar websites which are marketing a similar portfolio of products to the selected business. Candidates are required to use the following headings when analysing competitor's websites:

- availability
- image
- product information
- accessibility
- security
- user-friendliness
- aesthetics
- ease of payment.

In order to achieve the higher marks, candidates should then draw a conclusion from their analysis clearly stating how this research will influence the development of their own website.

Top scoring candidates had used the above bullet points to structure their analysis, clearly stating how their findings would influence the development of their website. Unfortunately, a lot of candidates had completed a simplistic analysis of competitor websites, often failing to follow the bullet points above. Having completed their analysis, candidates then often failed to draw conclusions concerning how this would influence the development of their own website.

**Assessment Objective Four**

Candidate's evaluations should focus on what measures they would take to deal with the manageability of the back-end of the website. Candidates should be guided by the bullet points under the section 'Evaluation of the manageability of the back-end of the website' found on page 58 of the specification. Candidates need to prioritise the issue they feel would have the greatest influence on the manageability of the website for their selected business.

Candidates can only achieve mark band 3 if their statements, conclusions and evaluations make direct linkage to the research undertaken in AO3. They also need to consider short term, long term, success and potential failure whilst drawing their conclusions.

**F252: Unit 13 Promotion in Action**

This is a particularly popular unit. However, there does appear to be some misunderstanding about the evidence candidates are expected to produce. Candidates are required to produce a promotional strategy (at least two promotional media) to promote a new product or service of their choice. On page 50 of the Teachers' Handbook it clearly states that candidates should

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‘choose a business with an already varied product portfolio, allowing them to suggest a new product to add’. It also states ‘it would also help if the product chosen allowed candidates to demonstrate creative skills by coming up with an original idea, as otherwise candidates will be tempted to stick too closely to current promotional activity used by their chosen business.’

Candidates must remember that this is a unit based on promotion and not just **another re-run of their original marketing assignment**. There was a lot of evidence of candidates appearing to be confused about what they were actually trying to achieve whilst conducting their research. There was also evidence of candidates trying to ‘re-vamp’ their marketing assignments in order to achieve this unit. Unfortunately, this does not work as the research will have the wrong emphasis with candidates merely demonstrating a need for the new product or service, rather than their ideas concerning how it could be effectively promoted.

### Assessment Objective One

Candidates are required to provide theoretical coverage of the section ‘Producing a plan of action’ – the various forms promotional activity can take and how and when each form of promotional activity is used. From the final section (page 62) candidates need to cover internal and external factors which can influence promotional activity. OCR would encourage all candidates to use a wide range of examples throughout this section in order to demonstrate their breadth and depth of understanding.

On the whole this section was completed well by the majority of candidates. Some had chosen to link this section to their selected business which is quite acceptable, as long as each aspect is covered in sufficient depth.

### Assessment Objective Two

Candidates are required to produce a promotional strategy which includes two final concepts of their promotional material and the rationale behind their development. Unfortunately, candidates often only produce the two final concepts with no explanation or reason behind their development. On occasions it was difficult to ascertain which piece of evidence represented the poster and which was a leaflet. Candidates must clearly label their promotional material. The promotional strategy must clearly explain when and where their promotional material would appear, for how long and what the potential cost of the campaign would be. These decisions need to be fully justified by the primary and secondary research undertaken in AO3. Without this information candidates cannot achieve the marks available within mark band three.

During moderation it was often extremely difficult for moderators to see the links between the candidate’s research and their final promotional media. All too often candidates failed to produce any form of rationale for their choice of media. The main reason for this was their lack of targeted and accurate research carried out in AO3. There was often no strategy to support the material produced. Candidates failed to state timescales, costs and the reasons behind choices of selected media.

### Assessment Objective Three

The starting point for this assessment objective is the section ‘Planning of the strategy’. The second set of bullet points should help the candidates to focus on the type of questions they should be asking within their questionnaires.

If the candidates have not described how promotional activity takes place within their chosen business for its current range of products/services in AO1, then they need to do so as an introduction to this section. This evidence could support their AO1 mark.

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Candidates need to make reference to the section 'Research of the strategy and analysis of the information which is collected' to establish the kind of research they should be conducting. Candidates need to ensure that they focus on the types of promotional features which attract customers to purchase products or services. They should also try and establish what types of promotional campaign will meet the second set of bullet points in the section 'Planning the strategy'. Too often candidates slanted their questionnaires too heavily to finding out what type of product/service customers wanted. To some extent candidates need to assume that there is already a demand for their selected new product or service and concentrate on how they are going to encourage people to 'buy in' through the use of promotional media.

Candidates' secondary research should focus on how other businesses, especially competitors, promote a similar range of products or services. When analysing this data candidates should use the following headings:

- aesthetics
- message
- fitness of purpose
- originality
- communication.

A current trend is for candidates to create a table and grade each of the headings. If the candidate fails to provide a detailed explanation of the grading system and the criteria on which this is based. Thus the analysis loses depth, focus and relevance. A table is a good starting point but in order to gain mark band three this must be developed through a final summary.

Evidence of the use of these headings was often lacking in the work of the lower scoring candidates

**Assessment Objective Four**

Candidates need to prioritise the internal and external influences which they feel would have the greatest impact on their promotional activity. Their evaluations must clearly link back to their initial research. Often candidates were unable to fully evidence the internal constraints as they had not clearly stated what these were at the beginning of the assignment. Few candidates were able to show any understanding of costing, due to weak research.

Candidates' coverage of external influences was generally better as they could relate these areas to their own strategies.

Once again very few candidates considered possible failure and often did not consider a chain of events, or short and long term implications.

### Recommendations to Centres

- Please continue to adhere to deadlines for submitting marks and candidate work to the appointed Moderator
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