

NCFE Level 3 Applied General Certificate in Business and Enterprise (601/8908/3)

Paper number: P002202

Assessment date: 20 March 2024

This report contains information in relation to the external assessment from the chief examiner, with an emphasis on the standard of learner work within this assessment window.

The aim is to highlight where learners generally perform well as well as any areas where further development may be required.

Key points:

- Grade boundary information.
- Administering the external assessment.
- Evidence creation.
- Standard of learner work.
- Responses of the tasks.
- Regulations for the Conduct of External Assessment.

It is important to note that learners should not sit the external assessment until they have taken part in the relevant teaching of the full qualification content.

Grade boundary and achievement information (V Certs)

Each learner's external assessment paper is marked by an examiner and awarded a raw mark. During the awarding process, a combination of statistical analysis and professional judgement is used to establish the raw marks that represent the minimum required standard to achieve each grade. These raw marks are outlined in the table below.

NYA	Pass	Merit	Distinction
0-29	29	45	62

Grade boundaries represent the minimum raw mark required to achieve a certain grade. For example, if the grade boundary for the Pass grade is 29, a minimum raw mark of 29 is required to achieve a Pass.

Maximum UMS Score*	Pass	Merit	Distinction
350	112	172	238

* In order to ensure that levels of achievement remain comparable for the same assessment across different assessment windows, all raw marks are converted to a points score based on a uniform mark scale (UMS). For more information about UMS and how it is used to determine overall qualification grades, please refer to the qualification specification.

Administering the external assessment

The external assessment is invigilated and must be conducted in line with our Regulations for the Conduct of External Assessment. Learners may require additional pre-release material in order to complete the tasks within the paper. These must be provided to learners in line with our regulations.

Learners must be given the resources to carry out the tasks and these are highlighted within the [Qualification Specific Instructions Document \(QSID\)](#).

Evidence creation

Learners should use the space provided to answer questions. Where answers are typed or additional pages included, the learner's name, centre number, centre name and task number must be clearly visible. The additional paper must then be securely attached to the workbook.

Standard of learner work

There were examples of very detailed answers, which required the use of additional sheets, and which scored high marks.

The majority of learners attempted to answer all questions in the paper.

There were some excellent answers to individual questions that demonstrated that those learners not only had embedded knowledge of the subject but had also developed analytical skills.

Responses of the tasks within the sections of the external assessment paper

Question 1 (a)

Learners were asked to select which one of the following is a characteristic of medium-sized businesses. The correct answer was A: 'They are managed by owners and employ professionals'. This was correctly answered by most learners.

Question 1 (b)

This question required learners to explain 2 advantages and 1 disadvantage for Tanveer when she operated as a sole trader.

This was generally well answered. The most common advantages seen included that sole traders:

- had complete control.
- kept all the profit.
- were a business type that is simple / easy to setup.

The most common disadvantage explained related to unlimited liability.

Question 1 (c)

This question required learners to evaluate the consultant's suggestion to remove some levels of the hierarchy and make redundancies.

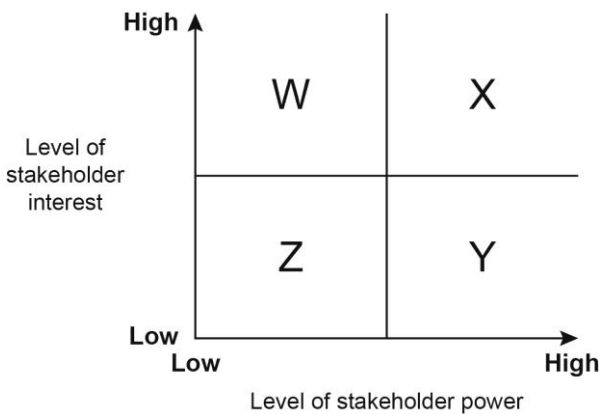
It was pleasing to see that most learners were familiar with the concept of delayering. The explanations seen most often included the ideas that delayering:

- would reduce the wage bill.
- might lead to the remaining managers becoming demotivated.
- would widen span of control of remaining managers.

Some learners did make explicit use of the stimulus and thus earned 2 application marks. Overall learners were least strong in the evaluative elements of this question.

Question 2 (a)

Learners were provided with the diagram below and asked to select which one of the following stakeholder groups does a business have to manage most closely.



The correct answer was B (X High stakeholder power, high stakeholder interest). This was correctly answered by most learners.

Question 2 (b)

Learners were asked to explain 2 advantages and 1 disadvantage of TP having a mission statement.

This was another question that learners tackled well. The most common advantages seen included the ideas that a mission statement:

- provided a clear sense of purpose for employees.
- differentiates the business from other similar businesses.
- provides a framework for decision-making.

Learners tended to find identifying a disadvantage more difficult. The most common answer identified by learners was the idea that creating a mission statement might just be seen as a PR exercise.

Question 2 (c)

Learners were required to analyse 2 non-financial methods of motivation that the human resources director could introduce to reduce the number of employees leaving.

Learners were asked to recommend which method the human resources director should choose and justify their answer.

A wide range of non-financial methods of motivation were identified by learners, including:

- job rotation.

- job enlargement.
- providing more training.
- team working.
- recognition in the form of monthly awards.

Learners were less adept at analysing their chosen methods and some answers were descriptive rather than analytical. Some learners did not attempt to justify which method should be chosen and therefore did not earn any of the 3 AO3 marks that were available.

Question 3 (a)

Learners were required to select which one of the following is a long-term business objective.

The correct answer was A: 'Diversification'.

This was the most challenging of the 4 MCQs on this question paper and slightly less than half of learners answered it correctly.

Question 3 (b)

This required learners to explain one advantage and one disadvantage of the marketing department's decision to use only qualitative market research to find out why the number of visitors choosing to ride 'The Spin' is decreasing.

This question proved challenging for many learners. The better answers seen suggested:

- questions are open-ended so opinions can be gathered.
- more detailed responses than from quantitative research.

But:

- can be difficult to analyse as opinions are hard to quantify.

Some learners made a good use of the stimulus, pointing out that carrying out the research outside of school holidays was perhaps inappropriate as many riders of the 'Spin' were likely to be of school age.

Question 3 (c)

This question required learners to use the Ansoff Matrix to analyse each of the 3 marketing strategies used by TP.

It was heartening to see many learners had a good grasp of Ansoff and drew up accurate Ansoff matrices. Many learners correctly matched up proposed changes to product development, market development and market penetration. This was the best answered of the four 9-mark questions.

Question 4 (a)

This question required learners to select which one of the following would be included in the financial plan section of a business plan.

The correct answer was B: 'Break-even analysis'.

In terms of correct answers this was the second hardest MCQ on the paper.

Question 4 (b) (i)

This question required learners to use a supplied break-even chart to:

- state the margin of safety if 600 tickets are sold.
- state the profit if 600 tickets are sold.

A minority of learners scored full marks on this question, with incorrect answers most often when stating the profit made if 600 tickets were sold.

Question 4 (b) (ii)

This question required learners to state a formula for calculating break-even and then calculate how many tickets would need to be sold to break even if the ticket price is increased to £18.

Most learners were able to provide an awardable break-even formula. A range of formulae were allowed, and these were all seen in learners' answers:

- fixed cost / contribution per unit.
- fixed cost / (selling price per unit – variable cost per unit).
- total cost = total revenue.
- fixed cost + total variable cost = total revenue.

Learners generally found it more challenging to use formulae to calculate how many tickets would need to be sold to break even if the ticket price is increased to £18.

Question 4 (b) (iii)

Learners were required to explain one disadvantage of TP using break-even analysis.

This was the least well answered of the 3-mark questions on the paper. Explaining a disadvantage of break-even analysis is one of the more challenging tasks that can be set relating to break-even. A minority of learners came up with answers such as that break-even analysis:

- assumes that all the tickets that are available for sale are sold.
- assumes that unit variable costs remain the same regardless of the number of tickets sold.
- assumes that ticket prices will remain the same.
- assumes fixed costs remain the same when in the long run they may change.

Question 4 (c)

Learners were required to explain 1 above the line method of promotion and 1 below the line method of promotion the directors could choose.

Learners were asked which method do they think will have the greatest impact on the profit made by holding the event.

This proved to be the most challenging of the four 9-mark questions on the paper. Some learners had no grasp of the concepts of above and below the line promotion and therefore scored 0 marks. Learners that knew the concepts generally produced sound explanations of their 2 chosen methods but were less adept at analysing or evaluating which of the methods would have the greatest impact on the profit made by holding the event.

Question 5

Learners were required to evaluate the accuracy of the CEO's statement from the most recent Annual General Meeting.

The CEO stated, 'TP's financial performance is strong.'

Learners were required to use the ratios from Table 1 in their answer.

It was pleasing to see that many candidates had a good grasp of the ratios in Table 1 and clearly understood that the current acid test ratios related to liquidity and the profit margin ratios to profitability.

In terms of evaluation the better answers seen suggested that:

- TP's financial performance has been good as both revenue and gross profit margin have improved.
- the current ratio has also improved so TP will be able to pay its debts on time meaning it can continue in business.

Only a small number of learners concluded that the net profit margin has worsened so TP needs to control their expenses. The acid test ratio has also worsened, and TP has leftover stock that may be difficult to sell as TP is not open all year.

Question 6

Learners were provided with a table of factors that could influence a location decision. Learners were asked to:

- choose 4 factors from the table, at least 1 economic factor and at least 1 social factor.
- analyse the possible impact of each of your chosen factors on TP's decision to open the hotel.
- recommend to the directors whether they should go ahead with opening the hotel.
- justify their recommendation.

The majority of candidates chose 4 appropriate factors and, in some cases, analysed the potential impact on TP's decision to open a hotel. The most common misconception concerned the predicted fall in inflation with some learners suggesting that will lead to lower costs and lower prices – this a common misconception as lower inflation means prices are still rising, but at a slower rate.

There were some well-argued recommendations from some learners as to whether TP should go ahead and open the hotel.

Regulations for the conduct of external assessment

Malpractice

There were no instances of malpractice in this assessment window. The chief examiner would like to take this opportunity to advise learners that instances of malpractice (for example, copying of work from another learner) will affect the outcome on the assessment.

Maladministration

No instances of maladministration were reported in this assessment window. The chief examiner would like to highlight the importance of adhering to the Regulations for the Conduct of External Assessment document in this respect.

Chief examiner: Peter O'Loughlin

Date: 16/05/2024