BUSINESS

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Paper 9609/11
Short Answer and Essay
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Key messages

• Candidates must spend time to fully understand and interpret a question. Too many responses produced lots of information and analysis of business concepts rather than a focused answer to a specific question related to a business concept.

• 'Explain', 'Analyse' and 'Discuss' do not all mean the same thing. In particular, 'Discuss' requires evaluation, and this should be more than a summary of the analysis. Show a judgement; weigh up two sides of relevant analysis and choose which is more important; advise the business what to do and why. This is a vital skill for gaining 6 evaluation marks in any of the *section B* questions.

General comments

• **Questions 5a** and **7a** both ask about benefits, so analysing the drawbacks, weaknesses or disadvantages strayed into irrelevance and could not be awarded marks.

• Evaluation is, however, required in **Questions 5b**, **6** and **7b**, and many candidates found it difficult to demonstrate this skill. Many candidates built their analysis and arguments well, but their final judgement let them down: the conclusions, or lack of them, often restricted potentially very good answers. The evaluation should be applied to the business in the question to gain the highest marks.

• Some candidates did not complete answers to the final questions owing to time management problems. For example, the answer to **Question 7(b)** was often not developed as candidates had spent a lot of time when answering **Question 7(a)**.

Comments on specific questions

Section A

Question 1

(a)   Define the term 'emotional intelligence'.

Most candidates gave a good definition. An example of a common response was 'The ability of a manager to understand their own emotions and those of others around them'. Most candidates gave an excellent answer, but some went beyond a definition, and others confused 'emotional intelligence' with leadership qualities.

(b)   Explain two of Goleman's emotional intelligence competencies.

Many candidates struggled with this question. For an explanation to be accepted as correct it had to name a specific competency (Self-awareness, Self-management, Social Awareness or Social Skills) and explain it. A minority of candidates did not attempt to answer this question.

Question 2

(a) Define the term 'opportunity cost'.

A good definition was given by many candidates. An example of a response which was often seen is 'The benefit of the next best alternative when a decision is made'. Other candidates gave an incomplete answer omitting any reference to the cost, value or benefit of the next best alternative. These answers were awarded one mark.

(b) Explain two reasons why a new business might fail.

This was the best answered question in *Section A*. The explanation given was usually correct. An example of a good answer is 'A new business might fail because it is difficult for it to gain finance. Banks are not willing to give a new business a loan because it has no past records to prove the loan can be repaid.' An example of a partial explanation is 'A business might fail because the level of competition is high'.

Question 3

Explain the internal sources of finance a business could use to support its growth and development.

Most candidates were able to achieve some marks on this question because they identified that appropriate internal sources of finance are retained profits, sale of assets, sale and leaseback of assets, leasing assets out to other businesses, using the savings of owners (sole traders or partners) and reducing working capital. Many candidates however included external sources of finance such as selling shares and getting loans. Two correct internal sources of finance had to be correctly explained (not merely mentioned) for 4 marks. The fifth mark was reserved for a specific example of growth or development. One candidate's acceptable way of doing this was to say that 'The business could use the finance to set up a new branch. This might attract more customers to buy the products. This would increase sales and sales revenue which means that the company has grown.'

Question 4

(a) Define the term 'efficiency'.

Many candidates found this question difficult to answer and gave a definition of productivity or effectiveness. Some candidates thought efficiency means producing the product faster or with greater quality. The difference between these three terms should be emphasised to candidates. To be correct there should be reference to both maximising outputs and minimising inputs. Some candidates used the definition of highest ratio of output to input. Candidates who wrote highest ratio of input to output or used the word 'ration' instead of ratio were not awarded the marks.

(b) Explain two ways a business might increase the efficiency of its manufacturing operations.
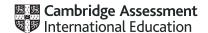
This question was well answered by most candidates. Many candidates included the point that changing to more capital intensive production rather than labour intensive is a good way to increase efficiency. Other commonly seen answers included training, motivation and reducing waste. Some candidates did not link their explanations specifically to efficiency or did not clearly identify a second way.

Section B

Question 5

(a) Analyse how marketing can add value to a product.

This was the most popular essay. Candidates showed good knowledge of marketing and explained its role in increasing the sales of a business. Many candidates were less clear on the term 'add

value' and found it difficult to develop the analysis of how marketing can add value to a product. Good answers focused on how the price could be raised by a variety of marketing activities. An example of a good answer is 'Advertising the product as having more features than rival products will make customers think that this product is better than those of competitors. Customers will choose to buy this product and will pay a high price for it.' An example of a weak answer might be 'Marketing makes customers aware of the product and sales will increase.' Some candidates correctly explained that adding value means increasing the difference between the cost price and the selling price, but then analysed ways to reduce the cost price, which is the role of operations.

(b) Discuss the view that the marketing objectives of a hotel will only be achieved with a close working relationship between the marketing, finance and human resource departments of the business.

This question proved difficult for some candidates to answer well, with many just confirming what was stated in the question rather than critically assessing it. Evaluative skills were missing from many answers. Good answers defined marketing objectives and gave examples. Good answers also showed clear understanding of the roles of the marketing, finance and human resource departments. Many candidates applied their answer to a hotel, using examples such as guests, tourists, rooms or holidays in an appropriate way. Good candidates linked the three departments together by identifying for example, 'The marketing department has an objective to increase the number of guests staying at the hotel by 10 per cent in the next year. They need to have a budget from the finance department to pay for the extra advertising. They also need to link with the human resources department in case the staffing levels need to change. The human resources department will have to ask the finance department for money to recruit and train more employees to cope with the extra guests.' Good candidates explained what might happen if this relationship was not strong e.g. budget not sufficient, not enough workers, poor advertisement. All these would lead to poor customer service or not meeting the objective of increasing the number of guests. For evaluation some candidates explained that external influences, such as recession might mean that the increase in guests would not be achieved even if there was a close working relationship between the three departments. Others recognised the role of the operations department in making sure extra rooms are available. Others recognised that other factors might affect the ability of the hotel to achieve the stated objective e.g. the level of competition in the market or the quality of the hotel. The best evaluations made a judgment as to whether these other factors would be more likely to achieve the objective.
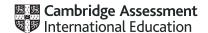
Question 6

'The best way to improve the quality of teaching in a school is to use Herzberg's two-factor theory of motivation'. Discuss the extent to which you agree with this view.

This was the least popular essay, perhaps because of the specific focus on Herzberg. Some candidates confused Herzberg with McGregor. Most candidates started with a definition of Herzberg's two-factor theory of motivation. Many answers were applied strongly to a school environment and the application was seen throughout, with examples of situations where this theory of motivation could be used. This is a familiar environment to candidates and the application was very good and well developed. Some candidates used the motivation of the learners rather than the teachers as their interpretation of the question. In some cases this worked but not in all, as it must be linked to the quality of teaching, not the quality of learning. Many candidates introduced Maslow, Taylor, Mayo, McClelland, Vroom and McGregor to their analysis but found it difficult to explain how these theories might improve the quality of teaching more than Herzberg. A more effective way to evaluate was to consider other factors which can improve the quality of teaching e.g. leadership skills, intelligence/subject knowledge, effective recruitment, finance available to buy better teaching facilities, attitude of learners, location of the school. It is then possible to balance situations where Herzberg's motivation is the best way to improve the quality of teaching with those where success is best achieved using other ways.

Question 7

(a) Analyse the benefits to a business of using a cash flow forecast.

There were some very good answers to this question. The major weaknesses were the confusion of cash and profit and the failure to realise that forecast is a prediction of the future. Most candidates began with a definition of a cash flow forecast. They were able to apply this to a business context. Some strong candidates developed a good analysis of only one benefit but sometimes this was not enough to gain full marks. The question did refer to 'benefits' (i.e. more

than one). Weaker candidates gave two or more correct benefits but did not develop these into good analysis. An example of good analysis was 'The cash flow forecast predicts times when the cash outflows might be more than the cash inflows. This gives the business time to either reduce costs or arrange external finance e.g. an overdraft. This makes sure that the business will be able to pay its costs, for example suppliers, on time.'

(b) Discuss the view that the most important factor in the success of a restaurant is the availability of accurate cost information**.**

Application of the answer to a restaurant was well done by most candidates. Many candidates showed good understanding of cost information by referring to cost of sales, fixed costs and variable costs. Some candidates developed the importance of 'accurate' as compared to 'inaccurate' cost information, which is a valid response. The majority of candidates could clearly explain situations where the restaurant would need to have accurate cost information. For example, 'The restaurant will need to know how much the ingredients of the meals cost. This helps them to set a price which covers the costs and also gives a profit. If the costs are too high the restaurant could find a new supplier or increase the price of its meals. If the costs are not accurate the hotel might make wrong decisions.' Many candidates recognised that there are many other important factors in the success of a restaurant, such as the quality of the food, the number of competitors, the quality of service, the use of marketing, etc. These candidates could then make a judgement on whether these factors were more important than accurate cost information.

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Paper 9609/12
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Key messages

- Many answers lacked focus and a business context. It is important that candidates spend time to fully understand and interpret a question. Too many responses produced lots of information and analysis of business concepts rather than a focused answer to a specific question related to a business concept.
- Candidates are once again reminded that there are 6 marks available for evaluation in *Section B* essays. Half the marks available in **Questions 5(b)** and **7(b)** are awarded for evaluative comments (with 6 marks also available in **Question 6**.) Candidates still need to improve their skills of evaluation.

General comments

- Most candidates were able to respond to most parts of the syllabus tested in this examination. There was, however, evidence of insufficient understanding of operational management concepts in *Section A*.
- The answers presented for **Question 7(b)** indicated that the work done by IT companies and the concept of intellectual capital was not well understood. Given the central importance of IT in modern economies this is perhaps an important comment to note.

Comments on specific questions

Section A

Question 1

(a) Define the term 'motivation'.

Most candidates were able to score 1 mark for a definition of motivation and many scored the full 2 marks. In quite a lot of cases motivation was defined as 'motivating staff to work harder'. Here it is clear that the candidate knows what the word means but has not been able to find a synonym for the factor that leads to motivation. Candidates need to understand that a word cannot be defined by using the same word in the definition. Synonyms used to secure the 2 marks included stimulate, encourage, persuade, and drive.

(b) Explain two non-financial motivators that could be used for a business' employees.

Strong answers included job rotation, job enlargement, empowerment, recognition, teamwork, training, promotion and job security. Unfortunately, many answers referred to fringe benefits such as holidays, health insurance, and more pay which clearly are not non-financial motivators.

Question 2

(a) Define the term 'ethics'.

Defining this term proved challenging to many candidates and many answers scored only 1 mark. These answers failed to mention the moral principles, norms, and values associated with a system that clearly distinguishes between 'right' and 'wrong' business decisions. Some answers confused an ethical requirement with a legal requirement.

(b) Explain two ways ethics might affect the activities of a business.

Many candidates produced strong answers showing the effects of 'good' and 'bad' business behaviour. Strong answers referred to specific business practices such as having a responsible concern for the environment and the consequences for business costs and business reputation.

Question 3

Explain why the published accounts of a business might give a misleading description of its performance.

The majority of answers secured a mark of 2 out of 3 and focused on attempts to attract investors with window dressing and/or data errors. Stronger answers referred to these issues but also mentioned that published accounts presented quantitative data only, giving no account for the potentially important qualitative business information such as the skills, motivation, and morale of business employees.

Question 4

(a) Define the term 'economies of scale'.

This question was not well answered. Some candidates referred to lower costs but omitted to mention the increase in output. Many candidates had no understanding of the concept and made guesses around the performance of the overall economy.

(b) Explain two reasons why a business might experience diseconomies of scale.

This question also produced a significant number of poor responses. Many answers failed to recognise the managerial reasons for diseconomies which can accompany corporate growth such as coordination, control, and communication challenges. Stronger answers made an explicit reference to corporate growth and identified organisational reactions to an increased scale of production such as a lengthening of the span of control, delayed decision making, and a possible decrease in employee motivation and morale.

Section B

Question 5

This question was by far the most popular essay question.

(a) Analyse the benefits to a business of market segmentation.

This question was generally well answered, and many candidates scored a mark of 6 to 8. Most answers identified relevant market sub-groups with their similar characteristics and analysed how the division of a heterogeneous market provided benefits for a business. Benefits analysed included an ability to tailor and focus marketing activities to sub-groups and so achieve specialisation in product distribution, promotion, and pricing, resulting in more efficient and effective marketing efforts. Market gaps and opportunities can be identified and exploited, customers prevented from switching to competitors, competitive advantage established, all leading to increased sales and profits. Weaker answers saw market segmentation as a supply-side phenomenon − supplying different types of products to the whole market.

(b) Discuss the view that marketing is the most important function for a business that manufactures and sells motor cars.

This was also quite well answered, with the majority of candidates scoring at least 6 marks. Application was sometimes missing where candidates failed to refer to the specifics of motor car manufacture and sales. The ability to evaluate was a significant discriminator in this question. Weaker scripts made general comments about the high cost of marketing and made only brief mention of important factors other than marketing. Strong answers emphasised the point that marketing is not useful without a good product to market or without the finance to make it possible. Many candidates focused on a very detailed exposition and analysis of the marketing mix, reducing the time left for some effective evaluative comment.

Question 6

'Good leaders will be more important than effective managers if the business performance of an international hotel chain is to improve.' Discuss the extent to which you agree with this view.

This was not a popular question and only a small number of candidates attempted it. Strong answers analysed the different roles of leaders and managers using business/management theorists such as Mintzberg and often concluded that it is hard to differentiate between leaders and managers. When a differentiation was made, it was in terms of leaders having the vision and strategic oversight and the managers having the skills for effective and efficient implementation of operational policies. These strong answers also made explicit reference to the context of hotels in need of business performance improvement − a context often missing from weaker answers. Many weaker answers contained long passages explaining the different styles of leadership/management with little material that directly addressed the question.

Question 7

(a) Analyse the benefits to a business of a labour intensive production process.

This section was well answered. The relevant points made included the potential lower costs of labour compared with the capital cost of machines and the greater flexibility of labour. Other benefits cited included the appropriateness of a labour intensive production process to particular situations such as producing handmade products. Weaker answers often spent time discussing disadvantages not required in this question and for which no marks could be awarded.

(b) Discuss the view that the intellectual capital of an information technology business is its most important asset.

This proved to be a very challenging question for many candidates. Many attempted this question without a fundamental understanding of intellectual capital. Strong answers correctly defined IC as an intangible resource and used a structured definition as a vehicle for assessing its value to a business. A focus on human capital (skills and expertise of employees), structural capital (data bases and systems), and relational capital (links with suppliers/customers) provided a sound basis for a strong answer to this question. Sound answers used this IC framework to effectively compare IC with other business assets.

BUSINESS

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Paper 9609/13
Short Answer and Essay
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Key messages

* There were some very high quality answers in **Section B** of the paper. In producing these answers, candidates had read the question carefully, organised and focused relevant material, and then demonstrated analytical and evaluative skills to support concept knowledge and understanding in a relevant contextual setting.
* Weaker responses presented less developed and balanced arguments and provided little critique or judgement. Candidates are once again reminded that **Questions 5(b)**, **6**, and **7(b)** contain 6 evaluation marks. The absence of evaluative statements/conclusions and/or reasoned judgements severely restricts the maximum marks that can be achieved.

General comments

* The variety of business concepts assessed in this paper proved to be accessible to most candidates although **Questions 4(a)** and **4(b)** on operations management were not well answered.
* Candidates are reminded that **Questions 5(a)** and **7(a)** require an analysis of benefits/advantages and no marks are awarded for reference to disadvantages or weaknesses.

Comments on specific questions

Section A

Question 1

(a) Define the term 'person specification'.

Many candidates presented a precise definition of the term with a focus on the key features − a document stating candidate qualifications, skills, attributes, experience and knowledge needed to secure a specific job. Some answers, however, confused the term with job description and gained no marks.

(b) Explain two purposes of a job description.

This question was well answered. Relevant explanations included outlining the main duties and key tasks of a job holder, being an important part of a recruitment and selection process, and assisting management in evaluating job performance. Weaker answers gave little explanation of descriptive purposes.

Question 2

(a) Define the term 'public sector'.

This question was confidently answered by many candidates − the typical accurate definition given was 'organisations owned or controlled by central government'. Weaker answers, however, confused the term with public companies and gained no marks.

(b) Explain two reasons why some organisations operate in the public sector.

This section was also well answered. Many candidates gave reasons associated with the provision of essential services such as health and education and the provision of other services that might not be produced by the private sector at all or only at a prohibitive price. Some candidates interpreted the question in terms of why some private sector businesses might concentrate on the public sector for work and contracts. This was an acceptable interpretation of this question and marks were awarded accordingly. Weaker answers gave limited explanation or often explained only one reason.

Question 3

Explain how a business might improve its cash flow.

Strong answers presented an accurate definition of cash flow and then explained measures that a business might take in order to improve it. Measures that might be taken included those designed to reduce costs and/or increase revenue, such as reducing/selling inventory, delaying payments to suppliers, reducing the credit period offered to customers, debt factoring. and selling unused assets. Weaker answers contained little explanation or presented suggestions without any explanation at all.

Question 4

(a) Define the term 'transformation process'.

This question was not well answered with only a minority of candidates presenting a succinct and accurate definition such as the conversion of inputs (resources) into the production of outputs (goods and services). Many answers suggested the term was something to do with changing methods of production.

(b) Explain two ways process innovation could improve the efficiency of business operations.

There were few strong answers to this question. Few candidates were confident enough to give examples of improved methods of production or service delivery such as streamlining existing production processes or introducing new technology (robots, artificial intelligence), or more efficient supply chain systems. Operations management would seem to be a poorly understood section of the syllabus.

Section B

Question 5

(a) Analyse the benefits to a business of product portfolio analysis.

Strong answers recognised that product portfolio analysis relates to the analysis of a product range of a business with a focus on the resources allocated between the products in the range. Such an analysis gives a business an opportunity to assess the strength of the product range, to engage in purposeful product planning, and to take decisions relating to marketing strategy. These strong answers recognised the link between portfolio analysis and the product life cycle concept. Weaker answers, however, often confused the two concepts and answered the question assuming it to be a question specifically on the product life cycle.

(b) Discuss the importance of branding when promoting a soft drink.

The strongest answers identified branding as a set of associations that people make with a business − the creation of an identifiable product image that supports regular and loyal customer behaviour. The resulting benefits to a business include increased product visibility, reduced price elasticity, and a distinctive competitive advantage. These strong answers applied their examples to global brands that have the capacity to build and develop a strong brand across all forms of advertising media. Such answers also often recognised that many small-sized manufacturers of soft drinks may well be unable to afford brand-building marketing budgets but might compete more on price for 'own brand' soft drinks. Weaker answers concentrated on descriptive definitions of marketing and branding, and left little room for effective analysis and evaluation.

Question 6

'Human resource management (HRM) is the most important business function in a hospital'. Discuss the extent to which you agree with this view.

This was the least popular choice of the three essays. The strongest answers reviewed the significant functions and responsibilities of an HRM department and then assessed them in relation to the many different activities and functions of a hospital. Clearly having a strategic role for managing people and supporting the workplace culture and environment give HRM a pivotal role in a labour intensive organisation such as a hospital. However, these strong answers recognised that there are other critical functions and activities associated with a successful health care hospital, such as financial planning, operational management (machinery and medical supplies), information management, and health and safety. They realised that effectiveness is less about which is the most important function in a hospital and more about the integration of activities and the unity of purpose within a hospital. Weaker answers often did little more than describe the role of HRM, with little analytic or evaluative application to a hospital.

Question 7

(a) Analyse the advantages of a public limited company (plc) as a legal structure for a business.

Strong answers identified and analysed the particular characteristics of a plc and discussed how these provided business advantages such as limited liability for shareholders, the opportunity to raise share capital, to attract investors, raise loans, grow organically and grow through acquisitions. Weaker responses identified very few advantages and/or presented very limited analytic comment.

(b) Discuss the view that the activities of banks should be significantly influenced by ethics.

Many answers revealed an understanding of business ethics − a concern with a moral sense of right and wrong business behaviour − but were unable to apply the concept to the activities of banks. Strong answers identified reasons for ethical behaviour in terms of devising and implementing lending policies for large and smaller borrowers that demonstrated equitable dealings. They gave examples of how some banking investments, such as fossil fuel investments, could be considered to be unethical. Some candidates presented the view that banks are in business primarily not to be socially responsible organisations but to make profits, pay dividends and protect customer savings, and so profits should come before ethics. Weaker answers provided little analysis of banking activity or of ethical behaviour and so did not create a strong platform for relevant evaluation.

BUSINESS

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Paper 9609/21
Data Response
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Key messages

- There is an improvement in candidates using the context presented in the case study when attempting 'analyse, evaluate and recommend' questions.
- The majority of candidates managed to score 'application and analysis' marks on **parts 1c, 1d, 2c** and **2d.** Candidates can reach application and analysis with two well developed points. A good chain of reasoning, contextualised, is the basis for 'developed analysis'.
- In **Questions 1d** and **2d** candidates should present a balanced argument and make justified judgements/recommendations. Marks on these questions reward depth of analysis and evaluation rather than breadth of knowledge. Two well-made arguments with a justified recommendation can score full marks.
- In calculation **Questions**, **1b(i)** and **2b(i),** candidates should be advised to show their workings out. Use of a calculator should be encouraged.
- Remind candidates to be aware of the marks available for each question so that they spend the appropriate time on each question and devote adequate time to contextualised, analytical and evaluative questions especially in **Questions 1c, 1d, 2c** and **2d**
- Advise candidates that answers requiring the use of context, such as to **Question 1d,** should integrate the information from the case study but avoid simply repeating the case material.
- Ensure full understanding of the command words.
- Practice 'explain/definition' questions and get candidates to produce their own list of words/definitions/explanations with examples.

General comments

Candidates appeared to engage well with the case material. **Question 1** produced some interesting answers, in context, especially in **Question 1d,** when referring to the marketing mix. There seemed little difficulty with understanding the questions set although some candidates tried to answer **Question 1c** by analysing leadership styles rather than analysing the factors that could *influence* leadership style.

Candidates should make full use of opportunities to:

- use the context.
- identify opportunities to analyse – good analysis based on a contextualised chain of reasoning.
- identify opportunities to evaluate – **Question 1(d)** required a justified recommendation for a suitable marketing mix.
- answer the set question – **Question 1c** only asked for two factors and **Question 2c** only asked for two *benefits*.

There was some evidence of time being an issue with some candidates giving a very brief answer to **2d**. Candidates, overall, have a good grasp of business terminology and are able to express themselves effectively.

Comments on specific questions

Question 1

(a) (i)   Many candidates could define 'CAD (Computer Aided Design)' in relation to the use of technology/software to create 2D and 3D models. Some candidates confused CAD with CAM (Computer Aided Manufacturing) which was an incorrect response. Definition questions do not require examples

(ii)   Most candidates managed to achieve two marks by explaining that 'primary research' refers to the collection of first-hand data and gave an example of such research. Some candidates also wrote that it was directly related to the business, for the third mark.

There are no marks awarded for using the context in answering **part (a)** questions

(b) (i)   The majority of candidates used the relevant data to correctly calculate the answer. Some candidates used 150, rather than 30, as the total number of responses. Where candidates showed their workings, they could still achieve two marks when using 150 as the denominator. Some candidates gave separate answers for 'important' and 'quite important' which was also acceptable for full marks.

(ii)   This question required candidates to explain a *limitation* of the research data. Some candidates interpreted this as a disadvantage so gave an incorrect answer. Some candidates discussed the small sample size and achieved full marks.

(c)   Many candidates managed to score the application marks with good, developed analysis of two factors that could influence leadership style, in context. Definitions of leadership style did not attract any marks as the emphasis of the question is on *influences*. More than two factors is a waste of time and can lead to 'bullet point' answers rather than developed analysis

(d)   It is very encouraging to see some candidates score full marks. Those candidates demonstrated developed chains of reasoning and concluded with a justified recommendation as to an appropriate marketing mix. Many candidates demonstrated good knowledge of the 4Ps but did not utilise the context in their answers. Candidates who used the context scored good analysis marks and often made a developed recommendation, required for the evaluation marks.

Question 2

(a) (i)   This question was well answered. Candidates demonstrated good knowledge of the term 'corporate objectives'.

(ii)   Most candidates scored two marks by explaining the term 'internal growth' and scored the third mark by either giving an example or developing their explanation.

(b) (i)   Many candidates failed to differentiate the profit from the profit margin.

(ii)   Most candidates identified one method of improving the cash flow for the business but not all could put this in context.

Answer the set question in context.

(c)   Candidates demonstrated knowledge of two benefits of process innovation. A definition of process innovation was not required. Some candidates referred to disadvantages, as the question only asked about benefits no marks are awarded for disadvantages. The case study provided good context for answering this question but only two benefits required to allow candidates to demonstrate depth of analysis.

(d)   Many candidates demonstrated good knowledge of factors influencing location. However, some candidates gave a bullet point list without any explanation or context. There was evidence of some candidates running out of time which may explain the list approach to answering the question.

Cambridge Assessment
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Few candidates developed their analysis to make a justified judgement on the relative importance of each of the factors analysed, hence failed to achieve evaluation marks. Most candidates included some context in their answers.

BUSINESS

Key messages

- Each question on this examination is an instruction to the candidate about how to respond. Careful note should be made of the command word used so that the response can be tailored to what is required.

  - 'Define' is a command word that requires a clear and precise definition of a specific term. Candidates do not require examples and the definition should cover all the elements of the term.
  - 'Explain' requires a higher skill than a definition and candidates are required to apply their knowledge either to the data (**Question 1(b)(ii)** and **Question 2(b)(ii)**) or to their study of business in general.
  - 'Calculate' only requires the final answer to be given, but candidates take a risk if this is all they write on the examination paper. Showing the stages of the calculation and how the candidate arrived at their answer allows examiners to award partial marks when appropriate.
  - 'Analyse' is a skill that requires candidates to show a coherent chain of reasoning with the causes and effects of something. On this examination there is always a need to use the context of the data, so that the analytical chain is specifically applied to the business in the data.
  - Evaluation requires candidates to put forward arguments and then weigh these up. It is always a good idea for candidates to come to a judgement, especially when asked to make a recommendation. For **Question 1(d)** most good responses made a judgement over the most limiting factor of the sampling process and for **Question 2(d)** good responses always made a judgement over either Liu or Ahura as the most suitable recruit.

- Content is very important on this examination and the data is there to allow candidates to apply their knowledge, analysis and evaluation to the data given. Some candidates ignored the context, and this always restricts the mark available. If a question mentions a specific stakeholder or the name of the business, then it must be applied.

General comments

Candidates engaged well with both contexts and were able to apply their knowledge to the data. There did not appear to be many time-related issues and most candidates were able to finish the examination paper. However, some candidates spent too long on the higher mark questions. This was especially true in **Question 2(d)** where some candidates attempted to use every piece of data (including data which was largely irrelevant). Likewise, on **Question 1(c)**, where candidates were asked to provide two ways in which FF could increase the added value of the app, some candidates gave three or more ways. This wastes time which is a valuable examination resource.

In the analysis questions (**Question 1(c)** and **Question 2(c)**) and evaluation questions (**Question 1(d)** and **Question 2(d)**) candidates often write too much, assuming a longer response is a better one. This is often not the case and tends to lead to superficial answers which make for poor arguments. Candidates should be guided by the question as to the number of points required for a full answer. For example, on **Question 1(d)**, where candidates were asked to evaluate the limitations of FF's sampling process, the best responses only analysed two different limitations, but did so with depth and excellent chains of analysis. Two, carefully chosen analytical points are more likely to convince than many limited ones.

Comments on specific questions

Question 1

(a)(i) Most candidates provided a good answer to this question and understood the relationship between a customer and a business. A few candidates confused consumer with customer.

A 'define' question requires a straightforward answer that is precise and correct. Some candidates wasted time giving examples and writing more than was needed for this question.

(ii) When explaining terms such as 'public limited company', it is important to differentiate the term from similar ones. For example, both a public and a private limited company sell shares and this feature is not enough to make it clear which term is being explained.

There was some confusion between the public sector and a public limited company and candidates must make sure that they fully read and understand the question.

(b)(i) This was a reasonably well-done calculation and many candidates knew the formula for a profit margin. Very few candidates got the wrong answer due to inverting the formula. However, there were some candidates who used the wrong year's figures and a significant number who calculated the profit but did not complete the calculation and calculate the profit margin.

(ii) There are many possible uses of profit margin data and the key to a good answer for this question was to find those that might be most applicable to FF. An obvious source of application was to use the calculated figure from question 1bi, perhaps comparing it to the 2021 profit margin. Those candidates who did this usually had an excellent answer that was rooted in the context and showed FF with a declining profit margin.

Some candidates did not fully understand the question and gave a use of profit, instead of profit margin data. It is essential that candidates take care to fully read and understand the terms used in each question, so that they can focus their answer on the right piece of knowledge.

(c) Most candidates understood the term 'added value' but did not always take the aspect of 'the operations process' into account. This often led to marketing-based responses of ways in which FF could add value which was not an appropriate answer to this question.

Value added is the difference between the costs and revenue and candidates needed to include this in their analysis to give a valid response. Some candidates focussed on how FF could gain more customers or grow. Whilst this may help FF to be more profitable, it is not a way of increasing the difference between the costs and revenue of the app. Whatever methods were chosen by the candidate, needed to be shown to either reduce the cost of the app and/or increase the price, otherwise an increase in the added value could not be accomplished.

(d) Sampling is a topic area that many candidates did not have sufficient knowledge about. It was often confused with market research and candidates sometimes spent significant time analysing the limitations of market research methods as opposed to the sampling methods. There was also some misunderstanding of the term 'stratified' and this sometimes left candidates analysing the wrong context in response to this question.

This question specifically asked for an evaluation of the limitations of FF's sampling process, but many candidates spent a considerable amount of time analysing the benefits of the process. This may have been a valid route into evaluation, but only after analysis of the limitations.

A good response to this question often only considered two limitations, but focussed the analysis to provide in-depth arguments as to the impact of the sampling process on FF. By focussing on two limitations, the candidates were able to devote enough time to their analysis and had a sound basis to come to an overall judgement about the sampling process, or often which limitation was the most detrimental to FF.

Question 2

(a) (i) Inventory was a well-understood term and most candidates quickly showed their understanding. The most common error arose when candidates tried to define the term as a storage facility, as opposed to items of stock. Whilst this is an acceptable use of the term in English, the syllabus uses the term 'inventory' specifically to mean stock and as such, it should be defined in this context. Most candidates who answered in this way usually included both definitions in their answer. However, some time would have been wasted.

(ii) Entrepreneur was a well-understood term and very few candidates struggled with this question. On occasions, when full marks were not achieved, the error was often that the term had not been explained in enough depth, or to distinguish it from similar terms.

(b) (i) Very few candidates made a mathematical error in their calculations of working capital. However, there was obviously a lack of knowledge as to the formula for working capital. In an attempt to gain marks, some candidates used every number in the given table, often doing far more calculations than was actually necessary.

(ii) The distinction between revenue expenditure and capital expenditure was reasonably well-understood and many candidates focussed on the time distinction between the two. Occasionally a candidate would explain the difference between revenue and capital but forget to explain 'expenditure'. When a term has been asked it is essential to explain each aspect of that term.

This was also a contextual question. Many candidates gave a good answer as to the distinction between capital and revenue expenditure, but did not explain how this referred to CC. The most common use of context was to state that an example of revenue expenditure for CC might be the brightly coloured cloth and capital expenditure was the sewing machine.

(c) Most candidates had a good knowledge of crowdfunding, although it was sometimes confused with other external sources of finance.

Candidates tended to be able to analyse an advantage for CC of crowdfunding better than a disadvantage. This may suggest that the downsides of this modern source of finance are less well-known to candidates.

On occasion candidates lost sight of what they were asked to analyse. The focus of growth was in the question already, so responses which analysed the impact on the growth of the business (to purchase material, to increase revenue and profit, for example) were not analysing the correct element. Candidates must attempt to keep their answers focussed on the subject of the question, in this case crowdfunding.

(d) A good recommendation should use the given context, as well as the relevant theoretical knowledge to prioritise the most important arguments. Some candidates attempted to analyse every point in the content about Liu and Ahura and this usually led to superficial points that did come to a balanced and reasoned judgement.

The best responses selected one or two aspects from each of the potential applicants that might be most relevant to the job role. These aspects were analysed, in terms of the likely impact on the job, the business and Ava, the owner and weighed up to come to the recommendation. This type of response can be relatively brief but shows a higher order of skills than a response that attempts to be comprehensive. The ability to select the most relevant and important data is a key analytical skill and most likely to provide the best responses to longer response questions.

BUSINESS

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Paper 9609/23
Data Response

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Key messages

* It is important that candidates and teachers are aware that **Questions (a)(i)** and **(a)(ii)** are not data response questions and require candidates to answer the questions using knowledge and understanding only. Many answers are given that contain examples or copied text from the case and these answers are not rewarded as they do not show understanding.
* In this series, poor understanding was shown of key terms (please see below for specific comments). It is important that candidates are taught the value of learning definitions and ensuring that definitions given are specific, accurate and meet the requirements of the questions. Vague and undefined answers will generally not gain high knowledge marks.
* A significant minority of candidates only answered the first question. Candidates should be aware that there are two questions and both should be answered.
* When a question asks for an advantage to the business, it is important to ensure the advantage given is for the actual business, not the individual or another stakeholder.
* Candidates should understand the requirements for an 11 mark 'Recommend' or 'Evaluate' answer. Many candidates try to start their answer with their 'recommendation' or 'evaluation ', which is often a simple one-line statement. As the candidate has used no evidence or analysis by this point, the absolute maximum that can be awarded is one evaluation point as there is no justification or development of the answer. Structures should be taught and used to ensure that evaluations and recommendations are completed well at the end of analyses and the answer to enable candidates to develop and justify their final judgement.

General comments

* Candidates must have a solid preparation in exam technique. Candidates must also understand that this is a business exam and business terminology is expected. Core textbooks provide definitions, examples and a guide to exam structure – these should be used as a core part of the teaching and learning process.
* Candidates must also be aware of the marks available for each question; a significant minority of candidates chose to write page long answers for three mark questions and then answered the 8 and 11 mark questions in a few lines. Definitions and explanations should be short, clear and concise. For example, if two marks are awarded, two separate and defined elements must be seen in an answer.
* Tautological answers will not be rewarded – for example, market segmentation must not be explained with the words 'market' and 'segmentation'. Candidates must use their business terminology to show understanding and explaining the term.
* Candidates generally used the data from **Question 1** very well. Supporting evidence was generally clear and explicit.

Comments on specific questions

Question 1

Care should be taken in **Questions (b)**, **(c)** and **(d)** to ensure specific examples from the text are used

(a) (i) The correct formula for revenue would automatically gain full marks, however a significant number of candidates failed to mention revenue came from selling goods or services and focused only on the fact revenue is income to a business.

(ii) Above the line is a key business term – many candidates did not highlight that it is a paid for method of communication or the aim of ATL, such as creating awareness.

(b)(i) The vast majority of candidates who knew the calculation scored full marks, showing the importance of remembering basic formulae. It is also important to stress the need for working out as this can gain valuable marks if the final answer is incorrect,

(ii) Break-even data is used to calculate the margin of safety, and/or the number of customers required at each venue. It is not a way of measuring profit which was a common incorrect answer.

(c) Candidates should ensure they have a plan for these types of questions, as common errors included advantages of training to the employees (such as increased motivation or upskilling) however when not applied to PM, the question is not answered. A number of candidates gave the answer of increased productivity twice – one for the ushers and one for the valets – this is still only knowledge of one advantage and therefore will score a maximum of one application mark and one developed analysis mark.

(d) This question highlighted a lack of understanding of economies of scale. Knowledge of an explicit economy of scale was required. Candidates that were not confident of the term tended to explain how bigger venues meant more customer and more revenue and left their answer at this stage. This is not an understanding of economies of scale and as such a significant number of candidates scored poorly.

Question 2

Generally well answered, with strong knowledge and understanding of the main content areas.

(a)(i) Candidates should be able to clearly explain batch production. Use of the word 'batch' in the answer will not be rewarded as the word is in the question and therefore does not signify understanding.

(ii) This was generally well answered with a good understanding of entrepreneurs shown

(b)(i) Candidates who gave a final answer of '5%' failed to achieve any marks. Candidates who provided the working out and gave the same final answer gained two marks. This shows the importance of calculations and reading the question.

(ii) Candidates who mentioned that a fall in market share would automatically mean a loss of customers were unable to gain the application mark as the case stated the market and indeed the sales were growing. This shows the importance of thinking through an answer.

(c) Factors affecting sources of finance were well answered and recognised the opportunities available from the change to a PLC. Many candidates also recognised the influencing factors of a growing market share, the actual cost and the time frame as influencing factors. The development of the analysis was generally well done, however where candidates remained at Level 1, there was a lack of understanding that selling $1.5 m of shares for example, may not be achievable in the short time frame required by the directors. Developed analysis should take two separate pieces of information and create a logical outcome which is not explicit in the case.

(d) This question was generally well answered as candidates had strong knowledge of payment methods and the evidence in the case was used well. The main reason candidates failed to gain marks was because payment methods were analysed abstractly, without specific reference to the use within PP or how it may affect the production or completion of activities.

Candidates started with evaluation points such as 'Salary should be used for creative people as this allows for the design process to flow naturally'. While this is an excellent point, it does not show knowledge of what is used in the case, nor does it show knowledge of salary as a payment method.

Candidates must ensure that answers are structured to show the key knowledge points and applicable elements of the case to be able to achieve the desired marks.

BUSINESS

> **Paper 9609/31**
> **Case Study**

Key messages

- Candidates should be encouraged to practise demonstrating their understanding of written and numerate business concepts across a wide range of case study contexts. This can be best achieved through the use of recent past papers and mark schemes. Teachers should advise candidates to spend the first 15 – 20 minutes of time allowed reading the case study and really trying to understand what business activity the company is engaged in and who their customers are (B2B or B2C). They must also consider potential threats and opportunities presented by the internal and external business environment.
- It is important for candidates to return to the relevant sections before answering each question, as the case studies contain 'signposts' to assist candidates in keeping their responses focused and relevant.
- Knowledge marks are for relevant business concepts or points that answer the question. However, candidates must ensure that they show a precise understanding of the **key** concept in the question, before explaining advantages, disadvantages or impacts.
- Answering questions in order is the recommended approach, as it allows a detailed picture of the business to be developed. The booklet style paper makes it easy to keep to time and return to an answer if candidates have further development to add.
- The use of financial analysis, such as ratios and other calculations, will need to be used in the later parts of the questions, including an explanation of what the results or changes **mean** for the business or project in question. An integrated approach, that relates calculation data from different parts of the case, should also be used. Candidates should be encouraged to consider to what extent the business is a financial success, or otherwise, from the point of view of different stakeholder groups.
- A good evaluative answer includes detailed application, as well as judgments throughout and a well-supported judgement and conclusion at the end.
- Candidates should read the wording of the case material and questions carefully and return to the precise question before writing each answer and completing their final conclusion to ensure that this is addressed, This is especially helpful in the *Section B* essays where longer answers sometimes lose focus on the case context and the question.

General comments

There was a very wide spread of marks, suggesting considerable potential for improvement in candidates' performance, especially in the achievement of higher-level analysis and evaluation.

There was evidence that many centres and candidates had prepared effectively and as a result they knew what to expect, both in terms of skills to be demonstrated and in how to structure responses. The best answers demonstrated excellent understanding of AS/A Level Business concepts and used data and information from the case study to support their answers. In contrast, there were some answers that were more inclined towards generic 'text book' knowledge and analysis. High marks in this case study paper depend on the candidate's ability to focus their answers finely within the business successes, challenges and future options, as outlined in the case study. Of course, the ability to demonstrate broad, accurate subject knowledge is essential. There was also some evidence of incomplete or gaps in knowledge of concepts, particularly in the area of strategic management.

It is also important for candidates to read the questions carefully and show judgment when required. Good evaluative answers make links between different areas of the case study company and take a strategic overview of the business. When a comparison and choice is required, such as whether to change the direction or structure of the business, candidates should do more than just quoting information and data copied from the case. There should be an attempt to analyse the advantages and disadvantages of choices

for the company. Candidates should also be encouraged to consider alternative views, such as, in this case, weighing up desirability of overseas expansion.

Centres can improve candidates' performance in the important skills of application, analysis and evaluation, by supporting them in working through recent past paper 3 case studies and assessing answers using published mark schemes. Candidates who are familiar with the structure of the mark scheme, for instance in knowing that there are no evaluation marks in **Question 1**, will work more effectively in the examination. The importance of recognising the 'command' words and answering the precise question should be emphasised, as fine focus uses time effectively and is key to good results in the case study paper. Candidates also need guidance on how to choose the optional question in **Section B**, as there was occasional evidence of a choice being made and then changed, wasting time and effort.

In this series, candidates were not required to show correct units in calculation questions in order to gain full marks.

Comments on specific questions

Section A

Question 1

This question was reasonably well answered by some candidates, who showed a good understanding of the concept of mergers and disadvantages, such as conflict of objectives. Application marks were generally gained by linking the different cultures of AP and SC, together with the difficulties of merging a centralised organisation (AP) with one that is decentralised. (SC) This, in many cases, led to analysis marks gained by outlining the impact of the disadvantages, such as slower decision making, the possibilities of redundancies, and the resulting workforce demotivation. Candidates who had misread the question and included advantages to AP did not receive credit for this part of their answer. Candidates who did not show knowledge of mergers, for instance mistakenly thinking that this was a joint venture, did not gain any marks.

Question 2

(a) (i) Most candidates correctly identified the LFT (5) but only some identified the EST (2), due to the dummy activity.

(ii) Many candidates correctly calculated this at 3 days, with some others achieving full marks for an OFR from **(i)**.

(iii) Many candidates correctly calculated this at 9 days.

(b) Many candidates showed good knowledge of network diagrams and critical path analysis, in that it is a technique to set out activities in order and consider those that may be done simultaneously. Application marks were gained by recognising activities on the critical path that cannot be delayed without delaying the whole project and also factors such as low-skilled workforce that may impact activities, such as employee training and the fact that the supplier is responsible for B-J. Analysis marks generally developed application points, for instance the network diagram suggests that 14 days is a feasible deadline, but other factors such as the unskilled workers and external factors may easily delay activities on the critical path. This generally led to conclusions and evaluation as to the extent to which the 14 day deadline may be met and what these may depend on, such as co-operation and skills of the workforce and reliability of the supplier. Candidates who did not show knowledge of the role of CPA in planning did not gain any marks.

Question 3

There was plenty of information in the case outlining the detail of the new employment legislation, such as the need for AP management to recognise trade unions, co-operate with the workforce, and implement a policy for equality and diversity. Knowledge and application marks were gained by linking these with points from the case, such as many female employees leaving and how AP would need to change, for instance, offering the same wages and conditions to females or face possible legal action. Analysis marks were gained by developing application points into possible negative and positive impacts on AP, such as higher wage costs versus more motivated female employees and lower labour turnover. Evaluation marks were gained by

weighing up the impacts, in terms of whether mainly negative or mainly positive, or which legislation would impact AP the most. Comments such as that it will depend on the ability of the government to enforce the new laws were also valid as evaluation.

Question 4

(a) (i)   Many candidates correctly calculated ($)2000. Many others received 1 mark for giving the formula for contribution or calculating total revenue.

(ii)   Many candidates correctly calculated ($1000) loss and many received 1 mark for a partially correct calculation or formula.

(b)   There was plenty of information in the case and from the calculations to balance an argument for and against accepting the order. If calculations were incorrect, then OFR applied. The case suggested reasons to support accepting the order, such as future government orders and also reasons against, such as the quick delivery time required and the possibility of other customers asking for lower prices for play equipment. Some candidates also offered calculations supporting the 'loss of revenue' from the order, assuming the same number of frames could be sold for $110. Analysis marks came from developing the application into implications for AP, in terms of capacity utilisation, pressure on employees, revenue and profit. Many candidates achieved low level evaluation marks for a simple supported judgement, but stronger candidates speculated as to whether the government may be persuaded to raise the price to enable AP to cover all costs.

Question 5

There was plenty of information in the table to help candidates get started on their answer to this question. However, to gain knowledge and application marks, they needed to use the statistics and other data and make comparisons between the countries and links with the proposed international expansion. Typically, candidates identified more people under 15 and fewer competitors in country T, plus favourable economic factors. However, a joint venture was felt by many candidates to be a better market entry method into country P, due to local knowledge. Analysis marks were gained by developing application points in terms of why one country or the other may be better. Some better candidates questioned whether fewer competitors may mean a smaller market for play equipment. In evaluation, most candidates thought country T would be better, but there was no correct answer and either supported conclusion was rewardable with evaluation marks. Occasionally a candidate suggested that this may not be the right time for such an expansion, but most linked AP's growth objective with the international expansion.

Section B

In this series there was almost a 59 per cent/41 per cent split between **Question 6/Question 7**.

Question 6

This was the most popular of the option questions, as it was a straightforward examination of the usefulness of two strategic choice techniques. Candidates could gain knowledge marks by showing understanding of the techniques, but also the place of strategic choice in the strategic management process. Many candidates showed a good knowledge of force field and decision trees and were able to apply these to the case using the information given. Many candidates also suggested other strategic choice techniques, such as Ansoff's matrix. Application marks were easily gained by comparing the data in the table, such as relative EMV, risk, and driving versus restraining forces. Analysis marks came from explaining how the two techniques and also others, could be used to make the decision, including different ways of weighing up factors for and against the decision. The best candidates evaluated the techniques, including their limitations, throughout the answer and made a final conclusion as to the best technique or combination of techniques at the end. It was also often concluded that strategic choice techniques would be much more effective with good strategic analysis and not very useful without effective strategic implementation.

Question 7

This was the least popular of the option questions, but it was actually a very wide brief. Candidates could focus answers on any of the parts or techniques of strategic management, as well as any strategic decisions. For application marks, points could relate to the merger, further automation, international expansion, and the strategic options. Analysis marks could be gained by explaining the uses of techniques, corporate and contingency planning, and sometimes through the development of application points. There was some

confusion as to whether choices needed to be made, but many candidates used corporate and contingency planning in answers, for instance, the need to comply with safety regulations and what might be the result of playground accidents. Evaluative comments were just as wide, but a supported judgement on greater/lesser importance and/or a comment about AP having a lot of possible projects in the pipeline were common.

BUSINESS

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Paper 9609/32
Case Study
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Key messages

- Candidates need a clear understanding of all concepts in the syllabus. When business terms are not understood it becomes more challenging to develop relevant commentary.
- Candidates will benefit from setting out clear method for quantitative questions.
- Candidates should take time to read the case material and consider what the focus of each question is before answering.

General comments

Candidates found the examination challenging and there were many examples of answers that needed to be more focused on relevant business concepts. Weaker answers often repeated large sections of the case material without showing its relevance to the question asked. This may have been a consequence of there being gaps in candidate knowledge of business concepts and theory.

There were good examples of well-focused responses that demonstrated a careful reading of the case material and questions. Stronger candidates demonstrated a good understanding of the broad range of business concepts that were tested. Typically, a good response was targeted directly at the question. The best of those combined evidence from the case to support and develop analysis. The best answers made judgements throughout the response and provided a conclusion based on analysis previously developed. Effective answers often focused on a limited number of points rather than attempting to cover a broader range of issues. Depth of analysis is often sacrificed when attempting to develop too many lines of reasoning.

Comments on specific questions

Section A

Question 1

Although the concept of integration was well understood, many candidates were less sure of the meaning of vertical integration. The most common error was to analyse the advantages of horizontal integration using case material that related to the business expanding by taking over other firms in the primary sector. This question is a good example of the importance of candidates giving attention to the precise focus of the question, which was on vertical integration rather than just integration. Stronger answers commented on the forward vertical integration which characterised much of the growth of the business. Candidates often benefited from separating their answer into two distinct paragraphs with one benefit analysed in each paragraph. This approach matched the directive in the question to analyse two benefits. The best answers were grounded in the case material and commented on benefits specific to the business.

Candidates should be reminded that there are no marks for providing counter argument in their response. **Question 1** is not an evaluate question, so considering the disadvantages of vertical integration is not rewardable.

Question 2

Many candidates did not understand the concept of contribution and its relevance to making one-off decisions such as accepting an order.

(a) The majority of candidates stated the equation for contribution correctly, noting that variable costs should be subtracted from revenue. Calculating the variable costs for the order proved difficult, common errors included; not adjusting the variable costs in relation to the size of the order and missing out one or more of the three variable costs. Weaker answers included fixed costs in the calculation.

(b) There were some good answers to this question that understood the benefit of a positive contribution to APF and showed a balance of argument in context. Factors in the decision were selected and analysis developed using case material to support a decision for or against accepting the order. For example, candidates noted that assuming similar production levels in 2023, APF would not have sufficient capacity to meet the new order without an impact on existing customers. This was often used as a point of evaluation.

Question 3

Many candidates did not understand workforce planning, focusing instead on the management and / or motivation of existing employees. Even those candidates who understood that workforce planning required APF to carry out a skills audit and identify the quantity and type of employees to meet future objectives often allowed their answers to drift into discussing methods of motivating employees.

Good answers demonstrated context by considering the shortage of skilled technicians, the seasonal nature of operations and the high labour turnover. These facts were used to develop argument highlighting the potential contribution of workforce planning to meeting APF's objectives. The best answers linked workforce planning to operational effectiveness. However, most candidates made no comment on operational effectiveness.

The strongest answers recognised that having insufficient temporary workers to harvest fruit was a key contributor to wastage and therefore operational inefficiency. Such comments led to the award of evaluation marks. Overall, candidates scored mainly in the L1 band for evaluation as there was a lack of depth and focus on the link between workforce planning and APF's operational effectiveness.

Question 4

It is essential that candidates learn the full range of ratios included in the syllabus. The opportunity to gain nine marks for this question can make a significant difference to the overall grade.

(a) Candidates often calculated the profit from the investment but did not convert this to an annual profit. Others did not subtract the capital cost from the cumulative net cost savings. Many answers did not give their answer as a percentage.

(b)(i) The equation for inventory turnover was known by a majority of candidates and numbers were applied effectively. A significant minority of answers inverted the equation and some candidates incorrectly stated their answer as $ m.

(ii) Days' sales in receivables was well understood as a calculation. However, 15 per cent of candidates omitted the question.

(c) Few candidates provided a good definition or understanding of the key benefits of ERP. Many answers were limited to commenting that ERP related to the planning of resources in a company to improve efficiency. These answers were often restricted to knowledge and application marks for understanding the investment appraisal and financial efficiency calculations from **Question 4(a)** and **(b)**.

Stronger answers understood that ERP involved using dedicated software which enables better coordination of operations and can help reduce inventory holding. Good answers linked this to the data from **Question 4(b)(i)** and analysed the potential impact on profitability and customer satisfaction.

Question 5

Weaker responses discussed a marketing strategy or a range of marketing tactics for APF. Some responses provided a detailed marketing plan with extended analysis of different elements of the marketing mix. These answers typically gained full marks for knowledge and application but gained only limited analysis and evaluation marks because there was limited focus on the question. Good answers not only identified the elements of a marketing plan, but also provided balanced analysis of its likely effectiveness with reference to factors such as the marketing strategies of competitors and the need for effective market research. The best answers made effective use of case material commenting on, for example, the role of marketing planning in taking advantage of changing consumer trends towards healthier foods or how a lack of planning could be a factor in the failure of APF to meet sales targets for fresh fruit juice.

Section B

Question 6

There was a significant amount of data in Appendix 1 for candidates to use in their answer. However, weaker answers tended to focus on which option APF's directors should choose and used the data to support that decision. This approach did not address the focus of the question which was about the usefulness of strategic choice techniques. Well-structured answers often identified the strategic choice techniques from which the data in Appendix 1 was derived. Techniques such as investment appraisal, force field analysis and decision tree analysis were then dissected to evaluate the extent to which each technique was useful. Candidates who focused on techniques frequently gained L1 or L2 evaluation marks for commenting on the limitations of the techniques. Analysis marks were often missed as candidates analysed the implications of the data rather than how, for example, decision tree analysis could improve decision making and reduce risk.

Question 7

This question was a less popular choice than **Question 6**. Most candidates demonstrated a basic understanding of the concept, although weaker answers just wrote about planning in general. Candidates developed application through reference to the problems identified in the case including the loss of crops due to disease and flooding. However, some candidates did little more than repeat what was in the text. Strong answers made the link between these examples and how contingency planning could have helped APF if it had been in place. Some strong answers also developed analysis of the consequences of the lack of contingency planning in terms of lost sales and damage to reputation. Candidates often provided balance by identifying that the cost of contingency planning was the time taken and resources used to create a plan. A few candidates then showed evaluative comment by considering whether contingency planning was worthwhile if the planned for crisis never happened. Some of the best responses noted that as an agricultural business, disease and flooding might be very likely and therefore contingency planning was essential.

BUSINESS

| Paper 9609/33 |
| Case Study |

Key messages

- Candidates should practise applying numerical and business theory across a range of contexts. Studying past papers can facilitate and support developing the skills required for success on paper 3.
- A significant number of candidates omitted one or more of the calculation questions. Understanding of all numerical techniques is essential.
- Candidates should take time to read the case material and consider what the focus of each question is before answering.
- A good evaluative answer is based on integrating context and analysis which supports the judgement being made.

General comments

The paper discriminated effectively but was accessible to the great majority of candidates. A wide range of marks was awarded, but even answers at the lower end of the range demonstrated broad knowledge and understanding of key business concepts. Candidates found the 16 and 20 mark questions the most challenging. Most candidates scored highly for the numerical questions but around 10 per cent of candidates omitted **Question 4(a)(i)** and **(ii)**. Candidates used their numerical answers effectively in answering the subsequent extended answer questions.

There were many excellent examples of well-focused responses that demonstrated a careful reading of the case material and questions. Analysis was frequently developed in context and was used to support judgement. The best evaluative responses provided balanced argument and identified the critical issues on which a judgement could be made. An increasing number of candidates included evaluative comment throughout their responses and appreciated that decisions made would be dependent on particular conditions. Commenting on multiple points often resulted in limited development of analysis.

Concise answers were well rewarded where there was balanced argument and supported judgement. Focusing on a limited number of key points frequently achieved higher marks for analysis and evaluation than responses that tried to cover all possible considerations.

Comments on specific questions

Section A

Question 1

Depreciation of a currency was generally well understood with many responses recognising that the price of country G's currency in terms of another currency would be lower than previously. Many candidates did attempt to analyse two opportunities of depreciation. However, a few responses developed analysis of the disadvantages of depreciation for which no marks could be awarded. Good answers developed contextual analysis, thus rather than simply referring to an opportunity for greater exports, candidates identified that MAA might benefit from greater exports of dyed textile items. Chains of analysis were best developed by considering the probable increase in tourism to country G which gave MAA an opportunity to attract more tourists, a key target segment for the business. Extended analytical chains enable access to Level 2 marks for analysis.

Cambridge Assessment
International Education

Question 2

Most candidates were awarded marks for at least one of the two calculations. The majority of candidates set out their method clearly stating the formulae to be used and selecting data to input. The benefit of taking a methodical approach is that marks can be awarded for process even if mistakes are made.

(a) (i) Many responses identified the correct value of price elasticity of demand. However, a significant number did not include the negative sign. Common errors also included; inverting the formula or not understanding that percentage changes of quantity and price were required. Some candidates made mistakes in the calculation of the percentage changes.

(ii) How to calculate contribution was understood by most candidates. However, some did not focus on the change in total contribution and only calculated unit contribution. Many responses did not identify that contribution expected to decrease following the price increase.

(b) Candidates generally identified relevant factors in recommending whether MAA should increase price and gained both marks for knowledge. Some stronger answers made effective use of their calculation of price elasticity of demand which indicated that demand was price elastic and that an increase in price would therefore result in a decrease in revenue. Weaker answers focused on the decrease in demand rather than the decrease in revenue. The best answers used the elasticity and contribution data alongside other factors that were important in making the recommendation. There were some sophisticated responses that noted an increase in prices would be counter to the social objectives of MAA. Other points of evaluation considered restricting price increases to foreign visitors given that there had been a depreciation in the country's exchange rate and that tourists were willing to pay more.

Question 3

The majority of candidates demonstrated a good understanding of social objectives and/or marketing planning. However, relatively few responses explained the importance of social objectives to MAA's marketing plan. A common error was to only focus analysis on the benefits of having social objectives to MAA. Although this showed understanding of a key concept, it did not answer the question. Good answers analysed how social objectives could be used as part of, or influence, the marketing plan of MAA. For example, some candidates analysed how social objectives might affect product decisions using the context of expanding sales from the women's cooperative. Context was also developed by linking the social objective of education as a way of attracting tourists.

Question 4

A significant number of candidates did not attempt to answer the two calculations in **Question 4(a)**.

(a) (i) Most candidates stated the equation for the accounting rate of return. Profit was often correctly calculated but not always turned into annual profit and therefore the final answer was incorrect. However, as method was shown, process marks were awarded.

(ii) 13 per cent of candidates did not attempt this question. Marks were high for those attempting the question. Most candidates were familiar with the process of multiplying the net cash flows by the relevant discount factor. Occasionally, multiplication errors were made but two marks were still available for the own figure rule.

(b) Candidates found this an accessible question and even those who had omitted **Question 4(a)(i)** and **(ii)** were able to achieve high marks and demonstrate effective application. Some responses went through a range of factors in the decision but would have benefited from a more focused analysis of fewer factors. Simple evaluation was provided by considering the negative NPV of the investment which led candidates to reject the investment. However, stronger candidates looked beyond the investment appraisal data and commented on qualitative reasons for proceeding with the investment, such as the need to upgrade services to attract tourists into the animal park. Evaluation was also developed by considering the reliability of the data and questioned the assumption that the investment had a lifespan of just four years.

Question 5

This was the most challenging question in *Section A* and discriminated well between candidates. Weaker responses lacked an understanding of workforce planning and focused instead on methods of motivating employees. However, most candidates understood that workforce planning is used to identify the type and quantity of employees required to meet future objectives. Good answers demonstrated context by considering the seasonal nature of operations, that guides would be needed if new safari vehicles were purchased and the difficulty that MAA faced in finding trained employees needed to care for the animals. These points were used to develop analysis of the consequences of effective workforce planning. The best answers linked effective workforce planning to the issue of reducing MAA's total labour costs. For example, a few responses considered the importance of using zero hour contracts during busy periods. Some good evaluative answers considered whether it was possible for MAA to recruit enough workers due to the expansion of similar businesses in country G

Section B

Question 6

Around 80 per cent of candidates answered this question. There was a significant amount of information in Appendix 1 for candidates to use in their answer. Weaker answers tended to systematically work through all of the information for both options. This often resulted in superficial analysis. Better answers were more selective and identified the most useful information to MAA and explained why it was useful. Good answers also identified the strategic analysis and strategic choice techniques included in the appendix. This provided a route into further analysing the usefulness of the information and making evaluative comment. Some effective answers contrasted the quantitative nature of some information with the qualitative nature of other information. This also enabled evaluative comments to be made.

Candidates recognise the need for a conclusion in these essays. However, the weaker responses tended to only repeat the key points already made. Stronger answers highlighted other information that should be considered or other strategic techniques that would be useful, such as a PEST analysis.

Question 7

This proved to be a challenging question and the data suggests it was mostly attempted by candidates at the lower end of the overall mark range. Candidates often provided very general answers about corporate planning and its benefits without really linking its role in the successful implementation of option 2. Without application, candidates cannot access the ten marks available for evaluation. Appendix 1 provided some useful opportunities to develop a more contextual answer. For example, some candidates considered the need for external finance as the joint venture had an initial cost of $3.5 m. Other responses focused in on the restraining force of a possible culture clash and considered how corporate planning could potentially help overcome this barrier. Balancing argument was rarely given by candidates. A few candidates did, however, comment on the cost of corporate planning and the need for plans to be continually updated. Effective evaluation was only seen in a few answers and most commentary was at Level 1 with identification of the limitations of planning but with little development.