

GCE Applied Business

Unit F248: Strategic decision-making

Frequently Asked Questions

Q: Please can you clarify whether candidates need to learn formulae for calculating labour turnover, productivity, absenteeism and health and safety rates or whether the formulae will be provided in the examination paper?

A: Candidates will not always be given formulae on the examination paper and therefore need to know how to calculate each of these performance indicators. Any appropriate formula can be used so long as it fits with the type of business being analysed, for example, a factory is likely to measure productivity in units of output whereas a shop may use sales. Where a specific variant of a formula needs to be used it will be given to candidates in the examination paper.

Q: Do candidates need to be able to calculate NPV discount factors in the examination?

A: No, candidates will not be required to calculate discount factors. They will, however, be expected to calculate present value using the discount factors given.

Q: What do I need to teach my candidates to include within a marketing strategy?

A: A marketing strategy is the end product of a marketing plan. As such it only needs to include the four strands of the marketing mix (product, place, promotion, and price) and how these work together in an integrated way to further the success of the product/service.

Q: The Production planning section of the specification makes reference to the interpretation of schedules and Gantt charts. What skills do I need to teach my candidates?

A: Your candidates need to be able to use timed production activities (presented in schedule or Gantt chart format) for critical path analysis purposes. Although candidates will not be asked to draw a network diagram from the beginning, they may be asked to complete one, interpret one, identify the critical path, or perform various calculations from the data given.

Q: Ansoff's Matrix and Porter's Generic Strategies seem to cause my candidates problems. Please can you explain how much detail I need to teach on these topics?

A: Your students need to know that Ansoff's Matrix is a tool used to help identify the level of risk involved in changing the strategic direction of an organisation. Ansoff's Matrix takes into account how closely the proposed product and market are related to an organisation's current activities and classifies the change in strategic direction into one of four risk categories. However, Ansoff's Matrix does not take into account the initial cost or financial returns of the proposal and is therefore only a qualitative decision-making tool. In order to meet the applied criteria of the course, it is important that your candidates not only understand Ansoff's Matrix but can also use the matrix. Candidates should be able to place any options given in the pre-issued case study into the appropriate quadrants of the matrix in order to reach a qualitative assessment of the levels of risk involved in a proposal. Knowledge of Porter's Generic Strategies is not required in this unit.