

**GCSE (9–1)**

**Examiners' report**

# **BUSINESS**

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**J204**

For first teaching in 2017

**J204/02 Autumn 2020 series**

## Introduction

Our examiners' reports are produced to offer constructive feedback on candidates' performance in the examinations. They provide useful guidance for future candidates.



Reports for the Autumn 2020 series will provide a broad commentary about candidate performance, with the aim for them to be useful future teaching tools. As an exception for this series they will not contain any questions from the exam paper nor examples of candidate responses.

The reports will include a general commentary on candidates' performance, identify technical aspects examined in the questions and highlight good performance and where performance could be improved. The reports will also explain aspects which caused difficulty and why the difficulties arose, whether through a lack of knowledge, poor examination technique, or any other identifiable and explainable reason.

A full copy of the exam paper and the mark scheme can be downloaded from OCR.

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## Paper 2 series overview

Paper 2 assesses operations, finance and external influences on a business. It also contains the synoptic assessment for the qualification. To do well on this paper, candidates need to show their understanding of the subject matter and how this impacts the three businesses for which information is provided.

Candidates who did well on this paper had a wide-ranging knowledge of the topics in the specification and related this knowledge specifically to the context provided in each of the three texts in Section B. They also had the ability to carry out the simple calculations required in the quantitative questions in both Section A and Section B.


Candidates who did less well on this paper had significant gaps in their knowledge and did not appreciate the need to answer most questions in Section B contextually.

<i><b>Candidates who did well on this paper generally did the following:</b></i>	<i><b>Candidates who did less well on this paper generally did the following:</b></i>
<ul style="list-style-type: none"> <li>• Scored 10 or more marks in Section A.</li> <li>• Had a good level of knowledge of most topics on the specification.</li> <li>• Answered questions in context and from the businesses point of view.</li> </ul>	<ul style="list-style-type: none"> <li>• Performed less well in Section B.</li> <li>• Did not attempt several questions in Section B.</li> <li>• Scored few marks on the quantitative questions.</li> <li>• Did not always read the question carefully enough.</li> </ul>

Given the nature of this session, the candidate entry was less than 100. However, there was a full range of ability among these candidates, with some scoring more than 70 (out of 80) and some scoring less than 20.

## Section A overview

The multiple choice questions proved to be excellent discriminators. Marks ranged from 5 (out of 15) to 15. There was only one question which consistently caused a problem. Question 11 asked candidates to calculate ARR from some simple data about buying a new machine. All three distractors appeared to be chosen equally as a wrong response.

	<b>AfL</b>	Centres should recognise that ARR is always calculated as a percentage which would automatically rule out two of the distractors in Question 11.
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## Section B overview

Of the three business scenarios in Section B, Question 16 was the least well answered. This occurred even though candidates would have been highly likely to be familiar with the operations of a retail business (such as John Lewis). The main issue was candidates lack of familiarity with the topic areas of procurement and supply decisions.


Question 17 (about a fictitious business making and selling cushions) was better answered, although some candidates were unable to attempt the three quantitative questions.

Candidates unfamiliarity with the concepts of sustainability and globalisation limited many responses to Question 18 (about Aston Martin).

## Comments on responses by question type

### Quantitative questions

These three questions, all within Question 17, showed a wide range of performance. Many candidates did not demonstrate that they knew any of the terms (break-even, gross profit margin and net profit margin). It was common to see responses which did not know the correct formula for break-even. There were also many attempts to calculate the profit margins by simply deducting costs from revenue.

	<b>AfL</b>	Candidates need to know the formulae for the financial calculations tested in this specification. They also need to be aware that profit margins are expressed as a percentage and that break-even is not expressed in monetary terms (£).
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### Generic questions

The four generic questions are easy to spot, as these questions do not refer to the name of the business in the text. In this exam they were Question 16ai, Question 16di, Question 17a and Question 18a. In most cases, candidates wrote too much for these answers.

### Short answer questions

These questions typically require the candidate to link their knowledge or understanding with the specific context provided about each business. Frequently, candidates missed out on the application mark available due to answering the question generically. This was often the case with Question 16aii (product knowledge), Question 17bii (use of break-even data) and Question 18b (sustainable production). A bigger issue with the latter of these was candidates not knowing what was meant by sustainable production. This led to responses about generic production methods or suggestions that AM plc should produce 'greener cars' rather than how they should be made. This lack of knowledge about a clear specification term was also present in Question 16b about procurement.

A different issue was found to limit many marks in Question 16c – reading the question. Although most candidates were easily able to identify advantages of using e-commerce, many of the responses were from the customer's (or other stakeholders') point of view. Most responses were also not in context.


### Scaffolded questions

A scaffolded question is one which is split into two or more parts to help the candidate through the stages of answering the question. There are typically three such questions in this examination, one for each of the three texts in Section B.

Question 16d was interesting in that many responses to Question 16dii bore no relationship to Question 16di. In many cases, a candidate was unable to provide a correct answer to Question 16di but then went on to correctly write about two appropriate supply factors in Question 16dii. However, there are no knowledge marks available in Question 16dii. If the candidate had written these factors in Question 16di they would have scored the two marks available. Few candidates attempted to evaluate in Question 16dii.

Question 17d (about crowdfunding) was answered well, but many candidates unnecessarily repeated themselves in Question 17dii. However, when it came to making the decision in this question, candidates rarely did so in context. For example, choosing a bank loan may be the better option as we are told that Elizabeth has a stable cash flow.


Question 18d was also answered well, although some candidates were confused about how a fall in the unemployment rate may affect a business.

	<b>AfL</b>	Candidates need to be able to recognise a scaffolded question and approach it in the correct way. There is no need to repeat themselves in each part, but there does need to be better use of context and evaluation is always ultimately a requirement.
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### Synoptic question

The final question on this paper is the synoptic question. This assesses a candidate's ability to link topics covered in J204/01 to those covered in J204/02. In this paper, the synoptic topic was 'risk and reward'. In most cases, candidates were able to gain these application marks by identifying examples of risk and reward for AM plc. What was less well done by candidates was to then link risk and reward to an impact specifically for the shareholders. In better responses, this was achieved by referring to the impact on profit or dividends. There was limited evidence of attempts to evaluate.

The most significant point to make about this question was that most candidates had limited understanding of the concept of globalisation. In most cases, it appeared that candidates considered globalisation to be as simple as importing and exporting or building a factory in another country. This is not globalisation. What this meant was that very few candidates gained the knowledge (AO1a) or understanding (AO1b) marks in this question. As was explained in the examiners' report for 2019, it is vital that centres and candidates appreciate that there are two independent marks for knowledge and understanding of the key topic in this question, which were absent in most responses, limiting a candidate to scoring seven out of the nine marks available.

	<b>Misconception</b>	Globalisation is not the same as international trade. Given the amount of material available on this topic, it is vital that candidates are made familiar with the wide range of issues which are part of the globalisation trend in the modern business world.
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## Key teaching and learning points – comments on improving performance

Evidence from this session suggests there are three key areas for centres to focus on when preparing their candidates in the future.

- Context – most responses require use of the context provided in the text at the start of each question. This is signified in the question by containing the name of the business or owner (in the case of unincorporated businesses). The number of marks available for use of context is clearly identified in the mark scheme for each question.
- Impact on the business – candidates need to make sure that their responses are focused on how the issue in the question will have an impact on the business (or owner).
- Evaluation – higher achieving candidates often made no attempt to evaluate, in those questions which required it. The command words 'discuss', 'evaluate' and 'recommend' are a signal for candidates to show their evaluative skills. In this examination there were 12 marks for evaluation (AO3b) which few candidates were able to achieve consistently.

## Guidance on using this paper as a mock

This would be an ideal paper to use, with a good range of questions testing familiar and less familiar parts of the specification. It is vital that, when marking it, centres use the mark scheme available on the OCR website. This clearly sets out what to reward for each skill in each question and how to mark the questions that use levels of response.

	<b>OCR support</b>	A reminder that the examination paper and mark scheme for the most recent series of examinations can be found on OCR Interchange, requiring a secure log in available to all Centres.
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