L3 Certificate

Applied Business

ABS2 (Business Dynamics)
Report on the Examination

TVQ010206
June 2017

Version: 0.1

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General comments

This session was the first assessment of Business Dynamics (ABS2). Overall, learners and centres understood the requirements of the assessment. Naturally, with a new qualification and unit, many centres misinterpreted aspects of the unit's requirements and this report will detail these. Moderators were mindful of these misinterpretations and made every effort to accommodate them, whilst also ensuring that standards were adhered to.

The skills of application, analysis and evaluation were uppermost in moderators' minds: this is an **applied** qualification and evidence that fails to consider the business being investigated is **not** valid evidence. In future, it will be expected that centres correctly interpret the requirements of the criteria. This report, and each centre's feedback report, should be read carefully to ensure that the demands of the criteria are understood by centres and learners.

The following table details the standards expected for pass, merit and distinction criteria. This table does **not** replace the grading criteria detailed on pages 37 and 38 of the specification. Its purpose is to ensure a similar standard across **all** internally assessed units, such as ABS2 and ABS5, by providing guidance on the qualitative difference between pass, merit and distinction evidence.

PASS	MERIT	DISTINCTION
The evidence shows that the learner understands the concept/theory specified by the criterion.	The learner has evidenced the pass criterion.	The learner has evidenced the merit criterion.
The learner has successfully used his/her understanding in a suitable **context** (has an ability to apply).	The learner has addressed the issue raised by the merit criterion and has demonstrated an ability to **analyse the question/issue in context**.	The learner has made judgements, required by the distinction criterion, that are **supported by a valid analysis of context**.
The **breadth of coverage** is sufficient, as required by the criterion (has the necessary range of understanding).	The learner has used at least **one significant chain of argument** to address the question/issue successfully.	The learner has considered the **relative importance** of at least one judgement **against** another judgement.

Business context

Many centres used the 'off-the-shelf' sample assignments available for download from AQA's website (http://filestore.aqa.org.uk/resources/business/AQA-TVQ010262-TVQ010272-EX-BD1.DOCX and http://filestore.aqa.org.uk/resources/business/AQA-TVQ010262-TVQ010272-EX-BD2.DOCX). These centres also used the learner evidence templates available for download from http://www.aqa.org.uk/resources/tvq/assess/templates. Merlin Entertainments PLC proved to be a reasonable context for a wide range of learner abilities. Learners could access sufficient secondary data to support all criteria and the context allowed learners to focus on aspects of the business (eg Thorpe Park) when tackling PO2 and PO3.

The sample assignments (one and two) provided sufficient guidance for many candidates and the evidence templates managed to contain the range and depth of evidence to an appropriate extent. This is not to say that centres cannot modify the evidence templates if this helps learners to focus on the criteria.

Other centres modified the sample assignments by using a different business but keeping the structure of the assignment tasks eg by replacing Merlin Entertainments PLC with Chester Zoo or with Butlins. This was also a successful approach, especially when it meant that learners were better engaged by the new context. If **all** evidence (across all criteria) relates to a **single** business, learners are free to choose their own business (sufficiently large enough to require managers, supervisors and operatives).

Some centres chose to construct their own assignments. This approach was acceptable when the assignments met the standards and scope illustrated by AQA's sample assignments. Unfortunately, some of the assignments constructed by centres provided an incorrect steer for learners. This made moderation extremely difficult as learners had been put at a disadvantage by the centre. Moderators took great care to ensure that learners were disadvantaged as little as possible, but providing an incorrect steer to learners is to be avoided at all costs!

It is not necessary to use AQA's evidence templates. However, it does seem to be the case that the evidence templates helped to focus learners – when the templates were not used, evidence sometimes became diffused and more difficult to assess.

Administration

Where AQA's sample assignments are used, without **any** modification, inclusion of a physical copy with the sample is **not** required. When a different business is used and/or when a centre devises its own assignments, the centre **must** include a physical copy of the assignments.

A completed unit submission form (USF) must also be attached to each learner's evidence. Centres generally met this requirement and each USF was signed by the learner and the tutor. Some centres went beyond this and include a centre declaration sheet (CDS). Whilst these were required for the Applied A level, these are **not** required for the Level 3 Certificate in Applied Business.

Assessor annotation

This is one area where many centres could improve. At best, assessors annotated each criterion by placing annotation against relevant evidence eg P1 against evidence relevant to that criterion. When justifying marginal decisions, these assessors also added brief annotation eg 'chain of argument' against evidence supporting M3 or 'relative importance considered' against evidence supporting D1. This is **all** that is expected.

However, many centres failed to provide suitable annotation and this made moderation a difficult task at times. The complete absence of annotation is not acceptable and suggests that assessment has not taken place. Ticks are of little use when considering the achievement of merit and distinction criteria ie reference to criteria and quality of evidence communicates assessment decisions, whilst ticks say little more than 'I have read this'.

The lack of systematic annotation also engendered a key failing demonstrated by several assessors – a lack of **holistic** assessment. Evidence that supports a criterion but which is present in evidence purposed for a different criterion **must** be acknowledged and used to support achievement where appropriate. For example, evidence presented for P7 could be used to support an achievement of M6 if that evidence contained suitable chains of argument.

Internal quality assurance

As stated in the specification (page 135), an internal quality assurer (IQA) must be appointed to ensure quality and consistency of assessments within a centre. For large cohorts, this is especially important to ensure consistency of assessment.

PO1 – Understand business organisations

This performance outcome focusses on a **general** understanding of the business. At times, evidence presented by learners was excessively detailed and possibly detracted from the time available for other performance outcomes. However, at other times the evidence presented was concise and suitably applied – quickly identifying genuine market opportunities, identifying stakeholder needs **in context**, considering reasons for the choice of form of ownership, describing the **organisational structure** of the business and considering reasons for this structure. All of this concise evidence could be presented in no more than 3 sides of A4 eg by using the evidence templates.

Significant misinterpretations of PO1 criteria by centres/learners included:

- P2, where the focus was sometimes on how stakeholders benefit the business rather than, as required, the interests of stakeholders
- P2, where **generic** stakeholder interests were identified rather than, as required, the **specific** interests of these stakeholders given the context of the business investigated
- M1, where learners focussed entirely on raising finance rather than the wider considerations clearly stated on page 35 of the specification
- P3, where learners restricted their response to listing functional areas rather than, as stated, the **organisation** of functional activities which requires a description of the organisational structure (as indicated by the unit content on page 35 of the specification)

PO2 – Investigate business advantages

This performance outcome requires learners to investigate the advantages which their chosen business might possess. This is very much an investigative outcome and requires a range of secondary research. Successful learners carried out this research and reflected on its meaning by using the concepts supporting the performance outcome – in particular, Mintzberg's organisational types and the concept of a competitive advantage. Less successful learners struggled to gather sufficient information and/or had an uncertain understanding of Mintzberg and/or competitive advantage. This resulted in a lack of **focus** in responses and/or a lack of **context** such that no amount of generic analysis/evaluation could hide the fact that the pass, merit and distinction criteria were not being met.

Significant misinterpretations of PO2 criteria by centres/learners included:

- M3, where the focus was sometimes excessively on an analysis of the mechanics of the recruitment process rather than the suitability of its outcomes (as required by the unit content on page 35 of the specification)
- P5/M4/D1, where the focus was on the 'five parts' of an organisation (operating core, techno-structure etc) rather than, as required, the organisational types characterised by Mintzberg and listed on page 35 of the specification (eg the entrepreneurial organisation)

PO3 – Consider business dynamics

This performance outcome requires learners to research and reflect upon the competitive environment within which the business operates. In turn, learners are required to reflect on management policies to improve the business's competitive position. Successful learners, just as in PO2, carried out a sufficient range of research so that they could focus on these issues and support their arguments with evidence. These candidates had a good understanding of factors affecting competitive position and used their research to construct analytical responses. Less successful learners struggled to focus on the merit and distinction criteria – they often described rather than analysed and assumed rather than evaluated. Lack of evidence was not, it would seem, the key factor. Rather the inability to use evidence in analytical and evaluative ways constrained achievement.

Significant misinterpretations of PO3 criteria by centres/learners included:

- P8/M7, where the policies were too general and 'over-arching' such that learners found it difficult, understandably at this level, to focus on an analysis of how they could improve competitive position. Centres are advised that these management policies are more likely to be management **tactics**, such as opening new stores, as opposed to more nebulous strategies, such as market development.
- D4, where learners ignored a key aspect of this requirement ie 'Evaluate the extent to which the policies **improved** the competitive position of the business'. This requires evidence of what **has** happened to the competitive position of the business, which can then be used to consider the extent to which the management policies contributed to this.

PO4 – Assess business potential

The final performance outcome requires learners to carry out a SWOT analysis and consider the business's potential. This is very much a reflective activity as much of the required evidence should already have been collected in PO1, PO2 and PO3. This proved to be the case with many learners successfully completing the strengths and weakness analysis (P9 and M8). The most successful learners then went on to reflect on the significance of these strengths and weaknesses - these learners had the understanding and skills to marshal their thoughts and findings and construct supported evaluations. Less successful learners struggled to 'see the wood for the trees' and could not evidence an ability to consider the significance of their findings.

The opportunities and threats side of the SWOT analysis requires additional research into the business's external environment. Unfortunately, many learners appeared to struggle with this activity. This was either due to a complete lack of evidence (sometimes with no sets of data collected!) or an inability to interpret the evidence. Only the most successful learners managed to evidence D6. This is as to be expected.

There were **no** significant misinterpretations of PO4 criteria, other than the necessity for learners to include data sets.

Concluding comments

Considering the new content structure and assessment criteria, centres and learners are to be congratulated on their efforts for this first assessment of Business Dynamics. If centres reflect on the issues raised in this report, and their individual feedback reports, these efforts will be better directed and learner achievement should improve.