

# L3 Certificate

# Applied Business

ABS3 (Entrepreneurial Opportunities)  
Report on the Examination

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1830  
June 2018

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## General comments

This session was the third sitting of Entrepreneurial Opportunities (ABS3) since the launch of Applied Business. The second sitting was in January 2018. Comments made concerning this June sitting also apply to the January sitting.

As an externally set and marked assignment, ABS3 has the following features:

- Two assignments for each academic year – assignments A and B
- Two windows for submitting each assessment each year – January and June
- Learners to complete the external assignment tasks individually and under supervised conditions – drafting with associated tutor feedback is forbidden

Most learners opted for assignment B ie opportunities created by experience days. Both assignments A and B proved to be accessible to learners. Key differentiators in performance came from the quality of research carried out, prior to completing the assignment, and the extent to which learners focussed on the requirements of the criteria.

It is evident that some schools appear to be trying to support learners by offering a list of possible opportunities and, more worrying, providing ‘chunks’ of theoretical text which were then regurgitated by learners. This is contrary to the spirit of the unit and, in the case of given text, transgresses the controlled conditions. Both practices run the risk of constraining the quality of thinking and has the opposite effect intended, perhaps, by these schools ie it encourages learners to restrict their research and reflection, resulting in poor performance.

Successful learners engaged with the assignment. It was a genuine pleasure to read many varied and interesting responses where learners understood themselves, their support network groups, target market and proposed customer value proposition. From this position of genuine understanding, successful learners evidenced an ability to outline purposeful marketing and operations activities. These learners then went on to demonstrate the key role played by support network groups in dealing with risks and uncertainties.

Success in ABS3 comes from learners understanding the challenge, carrying out purposeful research and reflecting on their own personal and local context **before** completing the assignment. Without this level of preparation, learners will find it difficult to successfully evidence the merit and distinction criteria.

## Key content areas and learner performance

As a unit focussing on personal enterprise, ABS3 has some key content areas:

1. Myers-Briggs personality types and enterprising behaviour (including own skills levels)
2. Support network
3. Selecting a customer value proposition for a personal enterprise
4. Contingencies

To quote from the 2017 report:

“Whilst differentiation will always be driven by each learner’s ability to apply, analyse and make supported judgments, familiarity with the above content is also a key factor. Weaknesses in any one of these four areas of ABS3 resulted in a weaker performance by learners. If all four were not well grasped, then achieving a pass on this unit proved difficult!”

Many learners continued to struggle with these concepts in 2018. The least successful learners did not grasp any of the key areas. Less successful learners tended to gloss over areas 1 and 2 and

failed to understand the meaning of areas 3 and 4. Successful learners grasped areas 1 to 3, but then struggled with area 4. The most successful learners grasped all four areas. For future improvement in performance, schools should support learners' understanding of these four areas.

In **area 1**, learners need to do more than copying and pasting the results of their Myers-Briggs tests into their evidence templates. More needs to be done with the 'own skills' area of the evidence template. It was very disappointing to read a re-hash of Myers-Briggs in the skills column. All this indicated was that the learner did not understand themselves. Whilst supporting a 'benefit of doubt' achievement of P3, it did little to set up M2 and D1. Furthermore, it was usually a good indicator that the learner would struggle in PO2, PO3 and PO4 ie not knowing themselves, how could the learner understand their own entrepreneurial opportunities?

In **area 2**, more learners need to genuinely reflect on the people around them and how these people can support their entrepreneurial activities. Successful learners demonstrated this and used their understanding to support not only P5/M4 but also other criteria such as D2, M7, D4, M9 and D6.

In **area 3**, it was pleasing to see a better understanding of the CVP concept. Perhaps the YouTube link in the assignment helped with this. However, too many learners offered confused and mechanical outlines of their possible CVPs. For example, in P6, they listed the factors affecting the *choice* of a CVP (innovation, target markets, competition and benefits provided by support network groups) rather than describing the *actual* CVPs. Conflating P6 and D2 is likely to generate confusion. In future, learners need to **outline** their possible CVPs in P6. This could be as brief as a paragraph stating the needs met and 'pains' reduced by each CVP. Once **chosen**, the selected CVP will hopefully be understood by the learner and used to support achievement in PO3.

In **area 4**, it was distressing to see so many learners continuing to struggle with the concept of a contingency. Risk assessment is **not** the same as contingency planning. Contingencies exist for the eventuality of 'bad things' happening (these things having been identified by the risk assessment in P9). Repeatedly saying 'I would ensure that the bad thing won't happen' is avoiding the question and does nothing to support the achievement of P10. One simple way to improve learner performance is for them to learn the difference between 'might happen' and 'has happened'. When 'bad things' happen, contingencies are used to cope with the troubles caused by the 'bad thing'. Perhaps this might help P10 to be achieved and, in turn, offer the possibility of M9 and D6 being achieved.

## Administration

As stated in the 2017 report:

"It is recommended that evidence, for each learner, should be held together using one or two treasury tags. Comb binding is **not** recommended. Folders are **not** welcome."

In addition, schools should **not** staple learners work. All that is required is the use of **treasury tags**. Schools **must** also ensure that each learner's EAF is attached, using the same treasury tag(s), to the front of their work.

Finally, schools should adhere to the time limits stated within the 'Guidance notes for tutors' ie "approximately 6 hours **assignment completion time**". Whilst this is approximate, and nobody can dictate exactly 6 hours, it is expected that large volumes of evidence will **not** be generated. Learners will have different 'words per minute' capabilities, but some of the evidence marked by assessors took this into the realm of 'World Records'. Irregularities, within AQA, where informed of these record-breaking performances. The benchmark is, as stated in the introduction to portfolio completion tasks, *around* 3 500 to 4 000 words. Doubling this guidance is not acceptable.

## Additional issues across the performance outcomes

### PO1 – Understand enterprising behaviour

#### *M2 and D1*

This was largely dependent on the extent to which learners provided an individual context to P3. Where they did, they managed to provide an analysis of how their individual skills and type of personality affect the way they engage in enterprising behaviour (M2) and were then able to address D1 (considering the *significance* of these skill sets). When learners struggled with D1, it was mainly due to not providing a supported judgement as to the *significance* of their personality type and skills.

### PO2 – Investigate customer value propositions for personal enterprise

#### *P4*

Some learners were unaware of the concept of ‘socio-economic characteristics’ and did not provide a clear outline of their target markets. This resulted in target markets so wide that it appeared to include everyone, **not** meeting the evidence requirements.

#### *M5*

This was often misinterpreted by learners who focussed on the benefits to customers rather than, as required, the benefits to them as entrepreneurs.

#### *D2*

Poor responses resulted from failing to clearly define the target market (P4) and having little context for their support networks (P5). Without this focus, it is difficult to offer supported judgements.

Schools are reminded that learners should select a single CVP before moving onto PO3. Not attempting M2 and/or D2 is not a reason for continuing with two CVPs in PO3, which should be based on **one** CVP.

### PO3 – Consider marketing and operations activities for personal enterprise

#### *P8*

Responses to operation activities were much better than in 2017, however many learners continued to struggle with the concept of *processing* inputs to deliver outputs. A product can be a good or a service and both require resources to be **processed** to deliver them to consumers. Learners must complete the second part of the operations activities template. Absence of understanding puts P8 at risk.

#### *M6 and D3*

For M6, successful learners understood what a CVP is and the purpose it serves, allowing a focussed analysis of how their marketing activities support the delivery of the CVP. Less successful learners lacked this focus and tended to repeat P7.

For D3, successful learners built on their M6 response by justifying the expected sales revenue. This was not a vague response but specific and included an actual sales revenue figure. Less successful learners offered vague references to ‘sufficient’ sales without ever detailing these.

#### *M7 and D4*

As in M6, less successful learners struggled to relate their responses to their CVP when completing M7. Successful learners were able to consider how their proposed range of operational

activities implemented their CVP. This requires learners to provide at least one chain of argument clearly explaining how an aspect of their operations activities helps to deliver the CVP.

In D4, successful learners were able to consider how they might contain their costs, to help contribute towards achieving a profit/surplus, with some calculations included. Less successful learners failed to evidence a supported judgement on how their operational activities supported the viability of the proposed enterprise idea. This was possibly due to an inability to consider their responses to criteria prior to D4. Both D3 and D4 are summary criteria which reflect on prior criteria such as M2, D1, M3, M4, M5, D2, M6 and M7. Learners should pause to reflect before attempting D3 and D4.

#### **PO4 – Review the risks and uncertainties of personal enterprise**

##### *P9, M8 and D5*

Less successful learners gave generic responses within each heading. On occasion it was possible to see context in the explanation of the impact of the risks/uncertainties in terms of their own enterprise. However, other learners continued to provide a generic response that could apply to any business enterprise. Without context, it is difficult to award P9 and M8.

In D5, less successful learners, having struggled with P9 and M8, failed to provide any context for their judgements of *key* risks and uncertainties. Sometimes the evidence could be used to support a marginal achievement of P9 and/or M8, but the evidence lacked a consideration of *key* risks ie no attempt to identify the most important risks/uncertainties was made.

##### *P10, M9 and D6*

For M9, satisfactory performance rests largely on correct completion of P5 and P10. Putting the contingencies into place (P10), and how support networks may contribute to this (P5), need to be in context. Where context was omitted, this criterion was not met.

For D6, although frequently attempted, many learners failed to demonstrate achievement due to lack of context throughout PO4. Where it was met, successful learners considered the extent to which they relied on the support of their personal networks in dealing with the risks or uncertainties of their enterprise. Using personal contexts, and a focus on crisis management, these learners communicated why specific individual and/or organisations are important to *implementing* their contingencies. A supported judgement is required as to the *level* of significance these support network groups hold in keeping their plan together.

#### **Concluding comments**

ABS3 continues to motivate many learners to reflect on their entrepreneurial opportunities. Successful learners develop self-awareness and carry out focussed research. Less successful learners complete the assignment in a mechanistic way, demonstrating little self-awareness and a vague grasp of their CVP, target market and marketing/operations activities. It is an effective differentiator as potential entrepreneurs need to possess insight, focus and determination if they are to succeed.

### **Mark Ranges and Award of Grades**

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.

### **Converting Marks into UMS marks**

Convert raw marks into Uniform Mark Scale (UMS) marks by using the link below.

[UMS conversion calculator](#)

