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# GCSE **BUSINESS**

8132/2: Influences of marketing and finance on business activity  
Report on the Examination

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8132  
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## Overview

Overall, the paper was accessible to the students with the majority attempting all the questions. There is no evidence that time was an issue.

The paper required students to use the case study material provided. Case studies were appropriate, and it appeared students could relate to these. Many students were able to apply their learning to the chosen scenario. However, too often students just included the name of the business or gave direct quotes from the scenario in their answers. Students need to be encouraged to use the given information as a starting point and integrate it throughout their answers as it is usually a fundamental part of the criteria within the marking grids.

The standard of answers to the extended response questions was very good. Many students demonstrated very good knowledge and understanding of the different areas of the specification and were able to analyse advantages and disadvantages. However, the quality of supporting conclusions was generally quite poor which prevented students from achieving the highest levels. Too often, conclusions simply repeated the previous points made and/or did not make a clear judgement. Some students provided conclusions for the 6-mark questions which was unnecessary.

The quality of handwriting continues to be a concern and students need to try and ensure their responses are legible.

The most able students were able to stay within the allocated space and write focused, concise answers. Too often, students going on to additional pages did not add anything further, simply repeating points they had made previously or adding more generic discussion. This was particularly evident on questions 2.3 and 3.8.

## Section A

### Question 1.1

Most students correctly selected M-commerce. However, a large proportion chose E-commerce.

### Question 1.2

This question was well answered. Most students correctly selected price skimming.

### Question 1.3

Most students failed to identify that it was the total costs line on the break-even chart. Many students selected variable costs or sales revenue.

### Question 1.4

Although over half of the students did select overdraft, the rest of the responses were split between the other three options indicating a lack of understanding of this financial term.

### Question 1.5

Most students correctly selected focus group.

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**Question 1.6**

Less than half of the students selected the correct answer of poor communication. A large number chose option C, confusing economies and diseconomies of scale.

**Question 1.7**

A significant number of students confused 'sales promotion' with 'promotional methods'. As a result, there were many who suggested TV adverts, social media and leaflets and did not gain a mark. Those who did answer correctly suggested mainly BOGOF, discounts and coupons. There were also some repetitive responses, for example, 2 for 1 and BOGOF.

**Question 1.8**

Many students didn't appear to know what market segmentation was and failed to attempt the question. The most popular responses by far were gender and age.

**Question 1.9**

Many students were able to gain the first mark for identifying the reason, but a significant proportion of students failed to explain why for the second mark. Some students offered two reasons for preparing financial statements instead of the one required. There was also some misunderstanding of the term financial statements.

**Question 1.10**

Students were often able to attain one mark but struggled to develop/explain the reason. Some students gave descriptive answers rather than explaining the change in sales growth, or repeated 'sales growth begins to slow down' in different words as development. Popular answers included that people had already bought it, so were no longer purchasing the product, or that it was no longer in fashion.

**Question 1.11**

A well-answered question, where students were able to identify a reason for expansion and provide a development of this reason, therefore gaining both marks available. Most answers were focused around sales, profit and exposure. Basic answers stated 'more profit, more sales'.

**Question 1.12**

Typically, two points were given in students' responses and these had clear development. Most answers centred around competition and raw materials, but a wide range of possible answers was evident. Some students gave real business examples which were awarded appropriately. Despite the question asking for the influence of each factor on a business, some students simply described what it was. For example, that footfall is the number of people in a shopping area, rather than how a high footfall would impact the business.

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## **Section B**

### **Question 2.1**

Overall, this numerical question was completed very well by most students who attained full marks. Some students did not quite manage to bring all the elements together ie calculating the revenue per pool or per gym, but not the maximum revenue. Therefore, there were many responses that generated a result of £1008.

### **Question 2.2**

Many students answered this question well, accessing Level 2. Students made good use of the scenario by referring to the overdraft and bank loan that the business already had. Some students failed to reach Level 3 because they did not fully develop the potential impact of the effect, for example the use of the overdraft to pay employees, and instead moved onto a separate point. Students need to be very careful that they do not begin a second point if the question only asks for one. It was pleasing that some students did comment on how an increase in interest rates would affect Jade's customers as they may have less disposable income to pay for swimming lessons.

### **Question 2.3**

Students clearly understood the merits of each form of ownership; however this often led to lots of short paragraphs as opposed to fewer well-developed ones, meaning that detailed analysis was lacking. Many students gave very generic and theoretical responses, despite the availability of context which would have enabled them to access mid/high Level 2 or 3. Where students did utilise the context, they frequently referred to Jade's desire to make decisions herself and/or limited liability. Not all students that referred to limited liability were able to demonstrate that they understood the concept.

### **Question 2.4**

Students that answered this question generally did well, often gaining both marks. Popular responses given were; aims and objectives, financial forecasts and target market. Some students offered aims and objectives as two separate sections of a Business Plan which denied them access to the second mark. Many answers were acceptable, however very few students identified market research or competitor analysis.

### **Question 2.5**

Most students answered this correctly and achieved 2 marks. The majority of those that did not used the figure 180 taken from the y axis of the chart, rather than the total number of parents responding to the questionnaire which equalled 500.

### **Question 2.6**

Students struggled to achieve 4 marks on this question. Most students demonstrated a basic understanding of the benefits of market research, but there was a tendency for answers to be generic and not directly related to the use of questionnaires. For example, many students simply stated that Jade would be able to see what customers wanted to buy which could refer to any type of primary research. More effective answers typically centred on questionnaires being specific to Jade, being up-to date and cheap to conduct. Some limited development was then evident, but many students struggled to develop their answers enough to reach the top marks.

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**Question 2.7**

Students generally responded well to this question, although a low number achieved Level 3. A disappointing number of answers took points from the scenario but failed to develop them in context. Most answers centred around the wider market available to Jade and the convenience to the customers of the website. Some students took this too far, believing that Jade has the capability to provide goods to a global market.

For the option of selling in the gym, answers focused on the rental cost, a smaller range of customers and the potential to reach the target market. No students commented on Jade's status as an Olympic swimmer and how that could influence whether customers bought the goods. Many students picked up on the comments in the data regarding postage and packing and clearly explained how failing to have next day delivery would affect confidence in the business which was good to see.

Students applied a range of writing frame formats which did, at times, seem to be at the expense of original thinking and good use of the scenario. Most students concluded that e-commerce was the best option for Jade, however conclusions were not always fully focused with students hedging their bets and stating that 'they could do this, but they could also do that...'

**Section C****Question 3.1**

Students were confident identifying a characteristic of an entrepreneur, but often failed to achieve the second mark. Frequently given responses included 'risk-taker' and 'hard-working'. There was a tendency to state the characteristic twice, eg 'Risk taker, this means they take risks for profit.'

**Question 3.2**

Many students produced sound analysis showing a good understanding of the benefits that a business could have by being environmentally responsible. Context was an issue despite the significant number of issues in the scenario that were relevant. Students using the scenario referred to providing a competitive advantage, the opportunity to charge a premium price/support charging a premium price and shorter delivery routes which would reduce petrol costs for Hello Fresh. It was interesting to see that many students commented about how popular environmental issues currently were in the press. However, the majority of the marks remained at Level 2 with few students providing detailed analysis in order to access Level 3. Many students relied on generic chains of argument, for example, 'Being environmentally responsible will give the business a good reputation which will lead to higher sales.' Some students interpreted environmental as ethical and then did not use the case study appropriately. As with all the six-mark questions, often students discussed more than one benefit. The most able students were able to make one point (as the question demands) and then link any subsequent analysis back to this point throughout.

**Question 3.3**

Although context featured within most student responses, answers tended to be simplistic and opportunities to develop and make links were missed. The most popular response was that the customers might not like the new meals. More effective responses explained the risk involved by linking this with information from the scenario which stated that weekly product development is costly and time consuming. No students discussed the risks associated with the coordination of

activities at Hello Fresh, despite this being mentioned in the scenario. Again, the majority of responses achieved Level 2.

#### **Question 3.4**

Although well attempted, it was clear that many students did not fully grasp the meaning of this term. Some students incorrectly referred to the profit made, or the number of goods sold. Students that did identify that it was the cost to produce the goods failed to develop their answer in order to gain the extra mark. Most more effective answers referenced raw materials as an example.

#### **Question 3.5**

Students answered this question well and most used the context, referring to the growth of Hello Fresh. Most answers focused on the changing nature of the business and that it as no longer just starting out so needed to be more ambitious with its actions. Some students tackled it from the perspective of describing the change in objectives rather than explaining the reason for the change.

#### **Question 3.6**

Students clearly understood this question and the majority performed the correct calculation and got the final figure correct. Unfortunately, the majority of students only achieved 1 mark as they failed to indicate that the figure was in millions and/or that the answer was negative.

#### **Question 3.7**

The majority of students were able to identify that revenue had increased, therefore achieving 1 mark. Many students limited themselves to two marks by not supporting their explanation with either the use of data or explaining the cause of the change. The most effective answers brought all of these elements together ie increase in revenue, costs increased but not at the same rate and supported this with figures. A reasonable number of students did not seem to understand what a decrease in net loss meant and wrote about an increase.

#### **Question 3.8**

It was pleasing to see so few blank responses. The wide range of responses provided the opportunity to differentiate well and students accessed the full mark range. Most answers had clear structures ie paragraph on costs, paragraph on marketing and then a conclusion. However, many students produced unnecessarily long descriptive responses on additional pages. Nearly all students addressed both cutting costs and increasing spending on marketing which was good to see. The spending on marketing seemed to be restricted to an increase in advertising when there were several options open for discussion. It was good to see that some students referred to the fact that a decrease in costs would have an immediate impact, whilst increased spending on marketing would not and that Hello Fresh would not know for quite a while whether this had been successful in increasing the net profit. Very few students used any of the figures from table one to support their comments. As with the increase spending in marketing the cutting of costs seemed to be limited to the food elements when there was the potential to cut costs in many departments. Some students confused the option of cutting costs with cutting prices, without explaining how one could naturally lead to the other.

When making a conclusion one issue was that students did not refer to both options to access the highest marks. The most effective responses linked their answers to net profit and considered which of the two options they had analysed would have the biggest impact.

### **Use of statistics**

Statistics used in this report may be taken from incomplete processing data. However, this data still gives a true account on how students have performed for each question.

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

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