



A-LEVEL BUSINESS

7132/1 Business 1
Report on the Examination

7132
June 2022

Version: 1.1

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In general, students found the paper to be accessible. Answers to the essay questions appeared to be more concise, perhaps because of more limited time for students to practise time constrained examinations. However, the essay answers tended to be very well structured and focused. In Section B, some students seemed to be trying to squeeze their answers into the space allotted and would have benefitted from using the additional pages available for continuation of answers.

Section A

On average, students scored slightly higher marks on the multiple-choice questions than in the 2018 and 2019 series. Questions 1, 2, 3 and 13 were answered correctly by over 70% of students. The most challenging question (Q8) covered core topics, but required calculations that were presented in a slightly different way than usual. However, one distractor proved to be more popular than the correct answer and this occurred because students did not understand the meaning of price inelastic demand.

Questions 14 and 11 also provided a significant challenge to students. In Q14, although, 'strategy' is a central theme of the specification, students often lacked the precise understanding required to answer this question. For Q11 (on SWOT analysis), it was a lack of understanding of infrastructure (Section 3.7.4) that caused the problem.

Section B

The three calculation questions produced mixed results.

Q16: Only a quarter of students were able to calculate inventory turnover from the data provided, with almost half earning zero marks. Some students did not know how to express the answer in units, giving answers such as '£6.25m' or '6.25%'. A significant minority of students calculated the answer in days – a valid approach to this question.

Q17: In contrast, payables days were correctly calculated by more than half the entry, with many other students earning marks from a correct element or elements of the calculation.

Q18: The current ratio calculation proved to be challenging. Almost half of the students earned only 1 mark for a correct formula, with no valid calculation. One in six students were able to recognise the current assets and current liabilities in the table and thus provide a correct calculation.

Question 19

Most students showed an understanding of non-profit organisations and the better responses tended to be those answers that used this context most effectively in their answers. Students' understanding of financial objectives tended to be less precise, but the majority of students were able to analyse the reasons why, and in what respects, a non-profit organisation would set financial objectives. In comparison to the other 9-mark questions, relatively few students struggled but also fewer students provided high quality responses to this question. Noticeably more students' answers reached level 2 (a reasonable response) on this question than questions 20 and 21 and yet fewer students were able to reach level 3 (a good response). Some students discussed how 'controlling' a manager was, rather than their 'span of control'.

Question 20

The better responses to this question tended to be those that contrasted an argument showing why a wider span of control might increase labour productivity with an argument showing why a wider span of control might decrease labour productivity. On the whole, the increase in labour productivity was attributed to greater autonomy for subordinates and the reduced labour productivity resulted from difficulties in communication or monitoring of subordinates. However, some well-developed level 3 answers resulted from focusing on one specific change in labour productivity – mostly outlining why productivity might fall. Some students showed an excellent understanding of relevant theory in this question. A significant number of students discussed how ‘controlling’ a manager was, rather than their ‘span of control’.

Question 21

Many students showed a very good understanding of both labour intensive and capital-intensive processes, leading to high quality responses. Weaker responses tended to be assertive rather than using reasoned arguments. Better responses tended to be those answers that recognised suitable context(s) in order to support their reasoning. Many analytical questions, such as this one, require an argument for a particular case. Some students’ answers lost relevance by examining reasons why capital-intensive processes were preferable and thus lost valuable time.

Section C

Question 23 proved to be much more popular with students than Question 22. Overall, students performed slightly better on question 23 than question 22.

Question 22

Most students showed a sound understanding of the Boston Matrix, although a few students confused it with Ansoff’s Matrix. A number of students seemed to imply that one dimension of the matrix was the sales growth of the individual product rather than market growth.

Explanations of how to use the Boston Matrix to develop sales growth were variable. Better responses tended to either: identify each of the four quadrants of the matrix and analyse how they each impacted on potential growth: or, focused on linking quadrants, such as showing how profits from cash cows might assist sales growth for those products in growing markets.

Significantly, those students who tended to use a specific multi-product business to support their logic tended to produce the higher quality answers.

Some students identified one argument relating to the Boston Matrix and then moved on to a much more detailed response of how a variety of other factors might lead to sales growth. Fundamentally, this question is not about “what factors can affect sales growth for a business”. It is about how the Boston Matrix can be used to achieve sales growth. The study of other factors mainly plays a role in making a judgement on the extent to which the Boston Matrix is a key factor.

Question 23

This question on e-commerce proved to be the most accessible of the essay questions. Students showed a good understanding of e-commerce and many showed considerable insights into its use

and development. Many students drew on their own experiences or knowledge to support their arguments and the use of context stood out as a particular strength of the cohort's answers to this question. On the whole, answers showed balance and most drew logical judgements which were consistent with the evidence they provided. The main weaknesses shown tended to be answers that were descriptive, rather than analytical and answers that stated facts rather than explaining how factors impacted on the number of retailers going online. However, these weaknesses were limited to relatively few scripts.

Section D

Question 25 proved to be much more popular with students than Question 24. Overall, students performed better on question 25 than question 24, to a more significant degree than the difference between performances in the Section C essays.

Question 24

A lack of clarity in students' understanding of the finance function undermined many answers. Where understanding was good, students were able to show how the finance function could help a business to achieve cost leadership, although many answers focused only on the budgeting process. As with Q22, there was a tendency to re-interpret the question, with students focusing on how to achieve cost leadership with little reference to the finance function.

Question 25

As with Q23, this essay proved to be a popular choice. Many students drew on their own experiences or knowledge to support their arguments and the use of context was again a particular strength of the cohort's answers to this question. On the whole, answers showed balance and an effective use of business theory in answering this question. Most students drew on the reference to 'unethical' in their response, although interpretations of the term varied considerably. Some students produced excellent answers, based solely on zero-hour contracts. However, students who recognised other forms of flexible employment contracts were able to produce more wide-ranging responses.

Overall, performance in the Section D essays did not match performance on Section C. This may have arisen from students running out of time, but on the whole students seemed to have more than enough time to complete their answers.

Mark Ranges and Award of Grades

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