



A-LEVEL BUSINESS

7132/3

Report on the Examination

7132

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Overview

Overall, this paper proved to provide an accessible context and most students tackled all questions. There is no doubt students feel pressed for time but the vast majority produce answers of an appropriate length to all 6 questions. Concise responses, that show well-developed, but precise responses to the questions is clearly the key to success from looking at the best scripts. Weaker scripts (and weaker time management) tend to be characterised by students hooking into one key term in the question and writing as much as they can about that concept. It must be remembered that Paper 3 is asking precise, specific questions which should be responded to as precisely as possible to maximise performance.

One area that did lead to some misunderstanding of the case study was the implications of a takeover – an area flagged in the advance information as an aspect of 3.9 of the specification.

Question 1

Question 1 elicited, from weaker responses, a tendency to describe promotion rather than pick factors affecting decisions relating to promotion and then build a logical link from the factor showing how that may have affected SSN Ltd's decisions. One factor well analysed in context was sufficient to move a response to the top level of the mark scheme, although the question stated factors, quality will always be rewarded over quantity. This question saw some excellent contextualisation of answers with the best responses showing a real grasp of a business to business scenario with a target market of a small number of very important potential customers.

Question 2

Question 2, as has always been the case for 12 mark analysis questions on this paper, required no counter argument – balance is not, nor will be during the lifetime of this specification, a feature of the 3 level marking grid used for the first two questions on paper 3. Knowledge of copyright was widespread, and many students could explain benefits of the protection offered by copyright, however, many responses did not tie these benefits in to the growth of SSN Ltd, simply stating that the benefits led to growth rather than explaining how a benefit may have enabled increased sales.

Question 3

There was some evidence of limited understanding of debt factoring as a method of bringing forward cash inflows. In fact, many inaccurate statements were made relating to factoring, cash flow and the relationship between receivables and payables. For those with a sound understanding of the topic, this proved a straightforward question, with clear benefits received by bringing forward a proportion of cash inflows due from receivables, and a clear drawback in the 5% factor's fee, which the best answers compared to the company's current profit margins.

Question 4

This was a question that most students clearly felt confident in answering, and it was, on the whole, well-answered. The most common limitation was a tendency to provide one-sided responses - only exploring the benefits of changing from a power to a role culture. The question clearly invited an examination of either the problems that might be caused by the cultural change or analysis of the benefits of maintaining a power culture. A small number of students wrote about

other cultural types identified by Handy, but not required by the question – an example of the importance of sticking closely to the question asked.

Question 5

Students struggled at times to find the heart of the question – the likelihood of conflict between stakeholder groups. Too often answers simply worked through a list of stakeholders and explained how they would react to the proposed takeover, without stepping back to assess the chance of conflict between these groups. The best responses identified one or two aspects of the proposed takeover that would lead to conflict between stakeholder groups, and managed to find one argument explaining why conflict may be unlikely. This was usually based on a recognition that SSN Ltd could have been close to financial collapse. A small, but notable minority of students thought that stakeholders meant shareholders.

Question 6

The vast majority of students had sufficient time to produce a substantial response to this question. The best responses showed a clear understanding of the nature and purpose of strategic planning, thus building effective arguments about how a business that eschews these benefits is likely to increase its risk of failure. Most students could see a counter-argument loosely based around emergent strategy as an alternative that can be especially effective in highly dynamic external environments. Perhaps an indicator of time pressure was the difficulty that some had in fully returning to the question in making their judgements – too few focused on the statement ‘all businesses are doomed to fail’ within their judgement.

Mark Ranges and Award of Grades

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