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# A-LEVEL BUSINESS

7132/1 Paper 1  
Report on the Examination

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## Section A

On average, students scored one mark less on the multiple-choice questions in 2023 than in 2022. The facility of the questions were broadly comparable; this change could be attributed mainly to the fact that there were only two questions which were correctly answered by more than 70% of the entry, compared to four such questions in 2022.

Question 7, on 'kaizen' proved to be the easiest question, followed by question 5, on the Blake Mouton grid. Students often find data interpretation challenging and so it was pleasing to see that questions 12 and 13, two questions based on interpreting a set of data, were correctly answered by approximately two-thirds of the students.

Question 2 proved to be significantly the most challenging question, mainly because students did not recognise the link between unit costs and added value. Not surprisingly, question 4 also proved to be challenging. This was based on a core topic – break-even – but required students to look at the graph in a different way than normal. Question 6, on economic policy, also presented a challenge, with just over one-third of the cohort answering it correctly.

## Section B

**Q16:** This was the easiest question on the paper. Almost half of the students earned all 4 marks. The vast majority were able to correctly show the impact of the reorder on the graph, but the subsequent downward slope of the inventory level after day 4 was often plotted inaccurately.

**Q17:** Marks were spread more evenly on this question. The current ratio formula was known by most students, but relatively few were able to correctly calculate both current assets and current liabilities and thus the correct ratio. A significant number of students ignored the changes and just used the original data to calculate the ratio. These responses suggest uncertainty in their understanding of the classification of current assets and current liabilities.

### Question 18

This question proved to be the most accessible of the 9 mark questions, with relatively few students not reaching level 2 or 3. Most students showed a good understanding of 'niche market' and used the context of a large business effectively. The main discriminating factors tended to be either a failure to incorporate the significance of the size of the business into the logic of the answer or just providing a descriptive focus on the nature of niche markets.

### Question 19

This question discriminated well and provide a broad range of marks. Good answers showed an understanding of both price elasticity of demand and income elasticity of demand and an ability to use the data to analyse the impact of the data on sales revenue. In general, price elasticity of demand was understood better than income elasticity of demand. There was evidence of uncertainty relating to the terms 'elastic' and 'inelastic' and even where students provided logical conclusions, their arguments showed confusion between these two terms. Weaker answers tended to ignore the data in Table 2 and just commented on the impact of a price or income change in generic terms.

**Question 20**

Maslow's theory has tended to be popular with students when considering motivation as a topic. Consequently, it was surprising to see the variations in understanding of this theory in students' answers. Answers often drew on other theories rather than Maslow's or just argued that more money was the best solution. Level 2 responses tended to be answers that showed a good level of understanding of Maslow, but the key discriminator in this question tended to be the use of the context of redundancy in the question. Students who recognised the importance of this context tended to provide the better responses to the question.

**Section C**

Question 22 was much more popular with students than question 21. Overall, students who chose question 21 performed slightly better than those opting for question 22.

**Question 21**

There were some excellent answers to this question, showing a clear understanding of the nature of contingency planning and the internal and external factors that might affect the successful implementation of the plan. Good responses tended to either emphasise the importance of leadership and planning or examined the external changes that might impact on successful implementation of a contingency plan. It was pleasing to see such a variety of approaches, with answers drawing on different theories, such as business culture and management styles. Weaker responses tended to discuss planning in general, rather than contingency planning. Many students incorporated the impact of Covid into their answers, to good effect. Other topical issues were also utilised, often to good effect.

**Question 22**

This was a popular essay, possibly because there were a number of different theories that could be used by students. Many answers focused on economies of scale, which were generally understood, and diseconomies of scale (which were often considered to be any problem that led to higher unit costs, not those related specifically to the scale of the business). Better answers often provided references to other concepts, such as Greiner's Model, the experience curve, the efficiency of communications and economies of scope. Weaker responses sometimes discussed growing total costs rather than unit costs and thus had limited focus on the question.

**Section D**

Question 24 was very popular in comparison to question 23. Overall, the average mark for these two questions was almost identical, but there was a much wider spread of marks on question 23. A greater percentage of students reached Levels 2 and 3 when answering Q24, but students were marginally more likely to achieve Level 4 on Q23. Q23 had the highest % of students achieving Level 5, suggesting that many who opted to answer this question made a wise choice.

**Question 23**

Stronger answers on this question were those prepared to challenge the statement in the question. The better responses provided a balanced argument, focusing on the benefits of emerging economies as a source of cheap materials or efficient workforces, enabling UK businesses to lower costs through offshoring or purchasing contracts. These arguments were then contrasted to the

possible benefits and issues involved in using emerging economies as markets. There was some excellent use of context, often based on Bowman's Clock or related theories.

#### **Question 24**

This was a very popular choice and more students were able to reach Level 3 on this essay than the other options. Students' arguments often focused on the tension between higher quality and higher costs. There were also relevant discussions of how profits could be achieved through lower costs, greater focus on promotion or other elements of the marketing mix, or through a greater focus on corporate social responsibility. There was some excellent use of context, often based on Bowman's Clock or Porter's Generic strategies, but also incorporating Elkington's triple bottom line. In all of the essay titles, there were excellent examples of arguments being supported by real-life examples. This question tended to be the essay in which real-life examples provided the greatest enhancement to student responses.

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

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