
A-LEVEL BUSINESS

7132/2 Paper 2
Report on the Examination

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Overall

This paper was overall accessible to all learners with very few questions not attempted and few students seeming to have issues with timing with many using additional pages. On the whole, the majority of students appeared to be well versed in exam technique and understood the structure of AOs for each question and were able to utilise relevant skills in responding to the demands of the questions. The better students demonstrated thought, planning and a resulting clear construction of their responses that focussed well on the question set. Good responses often related to precise and selective use of the data and information provided or were supported by the students' broader understanding of wider context and relevant examples.

When students seemed to struggle on particular questions this was mostly a direct result of lack of knowledge and understanding (A01) of key gateway information on this paper. Not knowing key terms like 'Capital Intensive' or incomplete knowledge of models and theories such as 'Elkington's Triple Bottom Line' or 'Lewin's Force Field Analysis' made it difficult for some students to respond to these questions with creditworthy responses. As in previous series, a number of students suffered from lack of knowledge of required formulae for calculation questions.

The development of A03 was a common problem. Many students identified accurate points, evidenced with context, but then did not develop their ideas, preventing them progressing to higher mark bands. Many students wrote large volumes in their responses, outlining a range of issues/factors rather than producing well considered chains of argument. This often resulted in many points being made at the same level of response. Arguments must be developed with depth and focus on the question to achieve the higher levels.

In relation to A04, many students struggled to create an effective evaluation within their responses with often rushed, underdeveloped ideas or a lack of focus on the question. There was often a lack of balance. When balance was introduced, it produced more powerful arguments that then supported a more effective means of evaluating.

Overall, the paper discriminated very well with marked differences between students of varying ability and knowledge of the specification.

Questions

1.1

Overall, there seemed to be a good basic understanding of NPV. The correct methodology was demonstrated by the majority of students. Many could calculate at least two accurate NPV calculations from the cash flow, using the discount factors, but could not follow through to the final calculation. Key errors were ignoring the negative cashflows or adding in the investment cost. A common mistake was not expressing the final answer in £s.

1.2

This question proved a challenge for many students; the majority could provide a formula, but it was evident that some did not know the formula for ROCE which prevented progress. The main hurdle for most seemed to be an inability to link gearing with capital employed to determine the information for the required calculation. There were many correct answers that did demonstrate clear understanding and strong numerical competence.

1.3

Generally, this question was answered well with many students being able to utilise the HR data to develop a response. The majority of students identified that the employees were the issue and higher-level responses considered that becoming capital intensive would reduce this. A significant number of students were able to use the data to examine the issues but failed to focus on the question of why, restricting marks for AO3 and access to the higher mark band.

1.4

This question demonstrated a mixture of responses with many students being able to produce a well-developed, detailed and balanced response that enabled them to reach a reasoned conclusion (AO4). The better responses were able to link the data together in their arguments to show depth and detail in their chains of analysis. Data selection was important here and those students who either didn't plan or didn't think carefully enough about their use of data in relation to the question struggled. Many students failed to focus their response on whether or not an investor should invest instead just concentrating on arguments for and against. A key limiting factor here were those students who were only able to provide a one-sided argument.

2.1

The majority of students were able to complete this successfully. A few students clearly didn't know how to carry out the percentage change having correctly calculated the number of people working at least partly from home and so achieved partial marks.

2.2

This question was generally answered quite poorly. Many students were unable to reference sections of the balance sheet or balance sheet terminology with their response often talking about costs and/or profits.

Most of the students that achieved level 3, were able to demonstrate knowledge and understanding of specific sections of the balance sheet, with the impact on non-current assets and non-current liabilities being commonly referred to through the sale of property.

2.3

Most students were able to at least access level 2, as they were able to discuss the issues faced by a manager with increased homeworking. Many were able to develop straightforward impacts but then there was often a lack of consideration on how this impact could have brought some sort of change to the way managers fulfil their job role. Better responses were able to access level 3, by discussing how managers are likely to need to change in order to fulfil their role. For example, in relation to management style. Many students employed good use of management theories to support these answers.

2.4

Most students demonstrated correct knowledge of Triple Bottom Line (TBL) and could create a well-rounded response to demonstrate knowledge and analysis in how homeworking would impact elements of profit, planet or people. Good responses either judged how the aspect of TBL may have been affected by the rise of homeworking, both positive and negative, with the best answers considering how this might vary depending on the sector considered.

Common problems some students had with this question were not developing responses in relation to improving or not improving performance or just examining the pros and cons of homeworking and/or confusing the elements of profit, people and planet with aspects of the marketing mix. A few students were obviously unfamiliar with the model.

3.1

This was a very accessible question with most students aware of issues with sampling and able to make the connection that the sample was biased/not representative. Students were able to apply directly to the context and used the information from the item to support reasons why this was the case.

Weaker students still showed understanding of sampling but failed to address the context of this sample (AO2) and provided very generic responses gaining marks for AO1 only.

3.2

Students who knew the variables of stakeholder mapping were able to develop high level responses. However, stakeholder mapping was not understood in its entirety by some who struggled to make a relevant point in a way in which they respond to APO (keep informed/monitor). A lot of students picked up AO1 marks for some comprehension but then failed to apply it to APO effectively. A common incorrect answer showed a lack of understanding of stakeholder mapping terminology. Alongside, too many students missed “decide how it responds to criticism from APO”. This led to students often referring to other stakeholders instead of APO.

3.3

Overall, this was a well answered question. Most students were able to achieve at least level 2 by referring to the forces for change in relation to Simply Bake. The more developed answers that were able to access higher marks referred to driving forces and resisting forces and considered the relative weighting of each in the decision to make the change.

However, like the other theoretical questions, success here rested on knowing the theory. Many identified the driving force and were able to develop through. Far fewer were able to state or show the driving force outweighed the restraining force. A common inaccuracy was to mistakenly assert that it was the general customers who were providing the driving force rather than identifying Simply Bakes customers are the supermarkets.

3.4

Overall, this question was answered relatively well with most students able to develop a for and against with a relevant judgment. Plenty of responses here fell into the higher levels, with students very confident when referring to models such as Carroll’s CSR pyramid able to reference some detailed real examples of business practices to support their lines of reasoning, demonstrating wider context in order to develop the depth of their analysis. Better responses focussed on whether the statement was true or not. The best answers utilised the words in the statement to form their arguments or linked back to these as they developed to keep their argument wholly relevant. Strong responses gave a reasoned judgement regarding the circumstance in which the statement did and did not apply, ie, it is likely to depend on the business, its target market, the ownership, culture, mission statement and how publicly facing it is.

A few students did not address the 'all business' element of the question and a limited few based their response solely on the case study. Some students just provided general arguments about ethics and CSR and it was sometimes hard to see a genuine argument that linked to the question asked.

Mark Ranges and Award of Grades

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