

# 3811/7811 Business Studies



## 2879 The Business Thematic Enquiry

### Theme for 2003

The theme for January 2003 and June 2003 is **Growth**.

#### 1. **Growth**

Growth is a broad topic which encompasses most aspects of the specification. The approach in the 2879 examination will be through a short case study in which the need for growth is demonstrated and a problem related to growth or its implementation is highlighted.

The nature of growth and the factors which bring it about, both internal and external to a business, are the foundation for this year. Candidates should be able to discuss why growth is necessary in a given situation and the ways in which growth may be implemented. In such situations there will always be scope to consider the human and marketing problems associated with growth as well as the accounting, finance and production aspects of the problem or its solution. There is likely to be a specific focus but good answers will be holistic in nature, looking at the problem from more than one perspective. To give focus to study and assist preparation for the examination, candidates should be aware that the central focus for each of the examinations in 2003 will be:

- *January 2003* A catering and leisure business seeking to diversify and grow in a tourist area of the UK;
- *June 2003* An engineering business which manufactures components for the motor industry addressing a problem of declining profits.

The notes which follow are designed to provide a basis for and guidance in preparing candidates for entry to the examination in January and June of 2003 **only**. Before reading the notes you might find it helpful to read the formal requirements for the Theme which can be found in the OCR specification.

## **2. The Formal Structure of the Paper**

In each paper there will be **two** tasks and the rubric of the paper will include the statements below:

### **Required:**

You are required to write a report for the business, advising its management of the best approach to future growth. In writing your report you should use the evidence given in the case and the evidence you have gathered from your studies of problems and strategies associated with growth. The title for your report will be given and you must write it in a way which proposes and argues a solution to the problem stated.

### ***Task 1: Write a plan for your report in which you make clear:* (10)**

- (i) the problem as you see it, and the need to solve it;
- (ii) the context in which this problem must be solved;
- (iii) the objectives you consider appropriate in the light of the problem as you see it, and the potential solutions you intend to investigate;
- (iv) any assumptions you make and the reasons for them.

You are advised to spend between 10 and 15 minutes on this task.

### ***Task 2: Write your report.* (80)**

In your report you must satisfy the criteria on which this assessment is based and therefore should ensure that you:

- (i) work within a clear structure for the report, evidenced by separation into sections which are appropriately headed;
- (ii) provide terms of reference for the report;
- (iii) select appropriate evidence (be sure to use evidence from both the case and the work which you have done in preparation);
- (iv) present the evidence logically in line with your objectives;
- (v) consider aspects of the situation and arrive at a supported recommendation.

## **3 Assessment**

Assessment will be by OCR examiners using the criteria set out in the specification for 2879. Each of these criteria will be applied to the work as a whole. Candidates may demonstrate the skills being assessed in any part of the report. Candidates should be aware of the skills they must demonstrate and have developed them during their course of study.

#### **4 Time Management**

The report is expected to be short. It should be capable of being written in not more than 50 minutes. This is because candidates will need at least:

- 10+ minutes to read the case;
- 10+ minutes to prepare the plan (Task 1, Section 2 above);
- 10+ minutes to read through and amend the work.

Writing the report in the time available requires practice and puts a premium on the conciseness and preciseness of the candidate's written style. This should be a matter of practise in preparation.

#### **5. Use of Evidence**

The Theme is an alternative to the Business Project (2878) which is based on the study of a specific problem. To ensure that the Theme is a real alternative, candidates are expected to make use of appropriate knowledge and understanding drawn from their study of growth in preparation for the examination. Most of the evidence will come from the unseen case itself, but there will be many opportunities to support the points made with knowledge (both theoretical and practical) drawn from previous study. To gain the marks available there will have to be genuine use of such knowledge and not its mere presentation.

In the case itself, there will be a variety of ways to proceed and it is the *logic* of the answer which will earn the marks and not the "correctness" of the solution. In the case there will be some information which is not relevant. This is to allow the candidate to show selectivity by using only the information which can be effectively used in supporting the candidate's argument.

To support a particular approach, the candidate may wish to make assumptions. This will be rewarded provided each assumption made:

- is clearly stated;
- is supported by argument;
- clearly assists the candidate's report;
- is not a distortion or a neglect of the evidence.

#### **6. 'Growth' in the OCR A-level Specification**

Growth is a common element of the specification and some examples are given below, taken from each of the four compulsory components of the A-level. Growth is viewed from the perspective of all stakeholders. Study of growth includes understanding of its causes and consequences, ways in which it can be effectively managed and reasons why it is often unsuccessful. The case will present a situation in which growth has either taken place or is considered necessary in

order to solve a problem or achieve an objective. Growth is one of the objectives of business behaviour, but its pursuit can lead to conflict with other objectives, can be undertaken in a variety of ways and may not always be desirable in given circumstances.

Some examples within the specification:

- The legal structure a business adopts, the suitability of changing from one form to another in given circumstances in order to make growth possible, to finance it or to protect owners.
- The objectives the State or a business has and the circumstances in which growth may be constrained or assisted.
- The effects that external influences may have in a given situation.
- The ways in which market forces require or inhibit growth and their influence on business decisions.
- Changing circumstances and performance e.g. the cost and benefit features associated with planned growth or with a rejection of growth.
- Effecting growth. The internal human and other consequences and requirements.
- The management of growth and co-operation with the workforce.
- The speed and direction of growth and the care with which this is selected and planned.
- Changing technological circumstances and adapting to the competitive forces in the market.
- Environmental constraints and the needs of all the stakeholders.
- Ways in which techniques can be used in order to investigate the need for growth or to develop a strategy for it.
- Ways in which growth can be monitored and controlled in order to achieve the objectives of the growth.
- The management skills and approaches upon which successful growth might depend in given circumstances.

## **7. Sources of Information**

- Standard textbooks. It is important that the ones used are of A-level standard. The theme of change runs through the AS text endorsed by OCR and published by CUP. This text provides a sufficient foundation and leads into the synoptic approach required to demonstrate problem-solving skills in 2879. At A2, growth is an objective for which effective strategies must be planned, executed, reviewed and modified.
- Many communities have grown considerably in the last twenty years. The important questions relate to why this growth has taken place, and what factors in the community are leading to, or inhibiting, growth at the moment. News sources of all kinds and the activities of individual businesses or business groups like the chamber of commerce, The Rotary Club or the British Institute of Management can all be of considerable use in preparation.

- Much may be learnt by studying individual businesses which have resisted growth or which have tried to grow but failed to do so. Too rapid or misjudged attempts to grow have often been the reasons why businesses have failed to survive. On the other hand failure to respond to changing technology, new market demands or the activities of competitors has also led to closure. There are written case studies of all these available and there are likely to be actual examples in every community.
- Past A-level assignments undertaken by students at the centre are often a very good source where they focus on attempted growth. The majority look at marketing reasons for, and routes to, growth, but there are others.
- Individual businesses which have gone through a process of growth might well be a useful source, if people from the business can be persuaded to talk about the growth and the reasons for success.
- Leading newspapers often contain useful articles or write up good case reviews. Many magazines are fruitful sources but it is worth remembering that Business Review has been specifically produced to meet the needs of students following A-level Business Studies courses.
- Past Case Study papers. Some of these pinpoint a number of different scenarios for growth which can be investigated.
- Evidence gained from part time jobs. This will be of greatest value to the individual but such experiences can be shared.
- Observed growth. Businesses are dynamic, they have to diagnose areas of potential growth and be prepared for it, in many cases they will instigate growth.
- The Internet provides a range of web sites which can provide both valuable information and a useful basis for work.

## **8. Tasks Which Might Be Undertaken**

- Identifying the factors which might lead to growth.
- Explaining why growth is often difficult or undesirable.
- Developing a strategy which might enable the management of growth in a given situation.
- Identifying a particular example of growth and discussing the effects it will have on each of the different stakeholder groups.
- Select a business which has experienced growth and prepare a case history. Each different case history can then be discussed.
- Discuss an example of growth which might be worthwhile, for example, in the community or in the school/college and develop a strategy for bringing it about.
- Identify an example of growth which appears not to have worked and decide what further action should be taken.
- Identify a business enterprise which might be successful in the community but which has not taken place. Show how this might benefit the whole community and match that benefit against its probable costs.

## **9 The Report**

Each of the tasks outlined in Section 8 could be dealt with in the form of a short report planned in ten minutes and completed in fifty minutes. Time management is going to be crucial and the process will be easier if it is a familiar one by the time it is undertaken in the examination. It is important that students learn how to use evidence both from a case and from their knowledge. A good starting point might well be to take past Advanced level cases with a clear growth theme and write a report on each. Candidates should use knowledge from business behaviour which has been observed, experienced or studied.

It is not wise to pre-determine what the candidate will need to do or over structure the intended report beforehand. Evidence has shown that where this happens, the candidate tends to make too little use of the case material and to provide a line of argument which is theoretical and generalised rather than a response to the situation presented in the case.