

AIMING FOR AN A IN BUSINESS

A-level

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MASTER THE
SKILLS YOU
NEED FOR
AN **A GRADE**

BUSINESS

Philip Waterhouse

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Exam board focus

Getting the most from this book

Aiming for an A is designed to help you master the skills you need to achieve the highest grades. The following features will help you get the most from this book:

Learning objectives

- > A summary of the skills that will be covered in the chapter.



Exam tip

Practical advice about how to apply your skills to the exam.

Activity

An opportunity to test your skills with practical activities.



Common pitfall

Problem areas where candidates often miss out on marks.

Annotated example

Exemplar answers with commentary showing how to achieve top grades.

Worked example

Step-by-step examples to help you master the skills needed for top grades.

You should know

- > A summary of key points to take away from the chapter.

Marketing maths

Percentage change

You will be familiar with calculating percentages from your GCSE maths studies. However, you also need to be able to apply these calculations to a business context. They form a major part of the marketing maths area of the syllabus.

The following is a good way to calculate percentage change (though you may have been taught a slightly different method):

$$\frac{\text{new value} - \text{old value}}{\text{old value}} \times 100$$

We look next at the use of percentage change calculations in different marketing situations and then at elasticity of demand.

Percentage change in marketing scenarios

Below are some examples of how you might be expected to interpret different scenarios and utilise percentage change calculations for different marketing situations.



Exam tip

The question will normally indicate how many decimal places you should use in your answer. If it does not, the accepted procedure is to go to 2 decimal places.

Worked example 2.1

This first example involves changes in market size (volume).

Calculate the percentage change in quantity of goods and services produced in a particular market over a period of time.

The sales of vinyl records for the UK vinyl record industry increased from 25,000 to 35,000 between May and June.

$$\frac{\text{new value} - \text{old value}}{\text{old value}} \times 100$$

$$\frac{35,000 - 25,000}{25,000} \times 100$$

$$\frac{10,000}{25,000} \times 100 = 40\%$$

Worked example 2.2

Calculate the percentage change in market size (value), i.e. the total sales revenue generated from selling all the goods and services produced in a particular market over a period of time.

The US digital music industry increased in total sales from \$4,000 million to \$4,500 million between 2013 and 2014.

$$\frac{\text{new value} - \text{old value}}{\text{old value}} \times 100$$

$$\frac{4,500 - 4,000}{4,000} \times 100$$

$$= \frac{500}{4,000} \times 100 = 12.5\%$$

5

Writing a long essay

Learning outcomes

- To understand the meaning of command words that will be used in your exams
- To be able to deconstruct any exam question so that you will know exactly what it is asking
- To know how to plan a long-essay response
- To know how to structure a long-essay response
- To understand how to apply your response effectively to the question set and bring in relevant examples

Writing a response to the higher-mark essay questions is often the area that students fear the most and find most challenging. While it might appear as a threat, it can also be seen as a huge opportunity to showcase your skills and what you have learnt — it can make the single biggest difference to your chances of achieving an A*/A grade.

Remember that only the top 15% of students are generally awarded the highest grades. The longer-response questions account for the majority of the marks awarded across the papers (see the 'Exam board focus' section at the end of this guide for details), so it really should go without saying that you must aim to master these questions above all. However, developing your essay-writing technique is likely to take time and effort — the good news is that you are reading this guide, which will offer you key tips to be successful.

The difference between constructing a short analytical response (discussed in the previous chapter) and writing a longer essay comes down to just one word: evaluation. The skill of evaluation is arguably even more important than that of analysis and can prove just as difficult to master. Evaluation involves weighing up, then prioritising, and coming to a fully justified judgement about what a business should do in a particular situation. Students are often quite poor at evaluation, which is surprising as teenagers are normally very good at giving and justifying their opinions!

Command words

The command word is the word or phrase that tells you what to do. However, be aware that for longer essays, the command words can be less important than some of the small words included within the question. It is also vital to remember that, whichever command word is used, you are still expected to cover and focus on all of the first three assessment objectives (knowledge, application and analysis) before coming to an overall judgement.

Table 5.1 shows typical command words used for longer essays and explains what they mean.

Table 5.1 Typical command words for longer essays and their meanings

Command word	Meaning
Discuss	Usually, you are asked to 'discuss' a given statement. You are effectively writing a debate about the statement, analysing reasons why it could be considered reasonable or not, and making a reasoned judgement on these reasons.
Evaluate	Reach a judgement as to how far you agree or disagree with a given statement or view by analysing a range of factors on both sides of the argument and evaluating their significance and/or strength before reaching a well-justified conclusion.
To what extent	This kind of question is asking you to judge something on a sliding scale, from 'not at all' to 'completely' or somewhere in the middle. To achieve this you need to analyse and evaluate different viewpoints and make your own overall judgement as to where on the sliding scale you believe the truth to be.
Justify your view	Having discussed both sides of an argument, what is the most important issue and why? You must express your exact judgement and opinion very clearly.

Deconstructing the question

Most long-answer questions will share a common structure. Identifying the parts of the question before you start to write is important. Make sure you look at the precise wording of the question and identify the words that carry the most significance.

Too many students will skim-read the question and begin writing without even pausing. Remember that you are not being tested on what you know; you are being tested on your ability to use what you know to answer the specific question asked. It is crucial to understand that knowing 'stuff' is not enough for good marks at this level of study. You must be able to distinguish between answering the question set and simply writing everything that you know about a particular topic.

Identifying the hooks

While the command words help signpost what type of question is being asked, other aspects of the wording are also important. You also need to identify the key topics/issues in the question, and the key 'hooks' of the question. The hooks are different from command words and are arguably the most important parts to identify. What exactly are you being asked to do? What are the significant words and why are they so important? You should underline or highlight the hooks. See annotated example 5.1 for illustration.

The focus of each question is changed slightly by the use of different wording. Small words can carry significant influence and need to be seized upon. They will often guide you to structure your response in a particular way. Later in the chapter we will return to several of the questions in this example, to show how you could plan and write suitable responses to them.



Exam tip

As the skill of evaluation is given considerable weighting, it is vital that you are able to make judgements that are justified. Examiner feedback shows that candidates often fail to do this. Certainly, analysis is important in building your response — putting together the key arguments and developing both the theory and how it is relevant to the business in the question. However, it is the evaluation skill that carries a significant proportion of the marks on the longer-answer questions. Evaluation is the final piece of the jigsaw and it is essential that you master this skill to achieve an A grade.



Common pitfall

Students often have well-rehearsed essays that they are comfortable with and that they simply regurgitate when a similar question comes up in an exam. Avoid this! If you do not answer the exact question asked, you will not do well.

Annotated example 5.1

The example questions below are highlighted to show their distinct elements. The key to the colours used is given at the end of the box.

1. A business has recently started to use **Elkington's Triple Bottom Line** to assess its overall performance. **To what extent** do you think the business is **likely** to have **higher profits** as a result of this?
2. **To what extent** is the nature of **the product** the **most important** influence on the **marketing mix** of **all** businesses?
3. **To what extent** are the **demand** on and **costs** of a business **mainly determined** by **factors outside of its control**?
4. A business wants to increase the **productivity** of its workforce. **To what extent** is the **greater** use of **training** likely to be an **effective** way for the business to achieve this?
5. Is the **power of buyers** or the likelihood of **new entrants** the **bigger threat** to ABC plc?
Justify your view.
6. Most journalists blamed the fall in ABC plc's profits on either a **failure to control costs** or a **slowdown in the growth of the global economy**. Which of these two reasons do you think is **the main cause**? **Justify your view.**

Command words	Key topics/issues	Hooks
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However, before you even begin to write your response you need to make sure you have it planned out. It is important to strike the correct balance between planning and writing. Many students spend no time in planning, which is a recipe for disaster, while others spend too long and don't leave enough time to actually put together the response. Therefore the skill of planning is essential to master.

Planning your essay

The most important aspect of the plan is that it should help you to stay fully focused on the question throughout your response. This will give you confidence when you are writing up your answer: by sticking to the plan you will be sticking to the actual essay question and therefore giving the examiners exactly what they are looking for.

The starting point of the plan should actually be about the final answer. What is the decision you need to reach? From this you can work backwards. We will show how this works shortly, but before that we need to remember that a well-written long-essay answer is always organised with a clear structure that makes it easy to read. Remember as well that you need to be showcasing all of the lower-order skills of knowledge and application. However, as your answer builds, so too should you be bringing in the key lines of analysis and evaluation.

A suitable structure should contain the elements shown in Table 5.2.

Table 5.2 Elements of essay structure

Element	How to write it
Introduction	Define the key terms and the main focus of the question. Try to make clear what your final answer is and how you are going to get there.
Development	Explain the relevant theory and apply it to the context of the question.
Analysis	Identify the important issues and analyse in a logical step-by-step chain of argument.
Evaluation	Draw judgements from the analysis based on the arguments you have put forward.
Conclusion	Directly answer the question and pay careful attention to the command word and the key 'hooks'. Make it clear what <i>your</i> opinion is.

An alternative structure that can be used to help you with the development of your paragraphs is given by the PUCCEER technique. In each paragraph, you should be aiming to include the following:

- **Point** — make it clear what you are arguing
- **Understanding** — explain your point, with examples if suitable
- **Causes**
- **Consequences**
- **Evaluation** — of the point you have made
- **Refer** — back to the question

The wording of the question and the total marks available will normally indicate the number of arguments/paragraphs you should aim to have. Remember that the first paragraph will normally include a short introduction and explanation of the key terms in the question and the final paragraph should make it very clear what the final judgement is.

As a very rough rule of thumb:

- 16 marks: aim for 3 to 4 paragraphs.
- 20–25 marks: aim for 4 to 5 paragraphs.

Steps in planning

There is a technique to planning your responses. Once you have highlighted the command words, key topics/issues and hooks, follow the following four steps:

- **Definitions and decision** — what is your decision and what terms do you need to define?
- **Issues and examples** — what are the key issues you need to argue and what examples can you bring in?
- **Analysis and chains of reasoning** — what arguments are you going to make and how are you going to develop these?
- **Structure your answer** — how many paragraphs does this response need and what will you put in each paragraph?

Example plan and answer

This section takes one of the essay titles from page 55 and gives an example of how the question can be deconstructed into a small number of planning steps. It is then followed by an annotated example of an answer to the question.

Worked example 5.1

A business has recently started to use Elkington's Triple Bottom Line to assess its overall performance. To what extent do you think the business is likely to have higher profits as a result of this?

Essay plan

Step 1: Definitions and decision

- Define Elkington's Triple Bottom Line.
- Decision is that it is more likely to result in a fall in profits in the short term.

Step 2: Issues and examples

- TBL will add to costs.
- TBL could be used as a marketing strategy.
- TBL is becoming more important within the modern business world.
- TBL is not required by all businesses.
- Examples: Lush, John Lewis, Tesco, Ryanair, Primark.

Step 3: Chains of reasoning

Increase in costs:

- Workers will need to be paid more.
- Reduces profits unless higher wages can be passed on in higher costs.
- Will depend on the price elasticity of demand for the business.
- Switching to fair trade/more ethical materials is normally more expensive (Lush).

Marketing strategy:

- Can utilise TBL as a USP, leading to a differentiated product, leading to higher prices and potentially higher profits.
- Will depend on the nature of the market and expectations of customers.
- Can be good for PR and attract customers (Lush/John Lewis).

Not required by all businesses:

- Will actually add to costs and reduce profits.
- Not required if customers don't expect it (Primark/Ryanair).
- Therefore unlikely to increase profits if consumers aren't concerned about it.

(Note: At this step, a selection has been made among the possible issues and examples listed at Step 2.)

Step 4: Structure

This answer should be written with 5 paragraphs:

- Introduction
- Point 1 — yes it could lead to higher profits
- Point 2 — yes it could
- Point 3 — no, actually likely to lower profits
- Conclusion — judgement

Annotated example 5.2

Below is an example of an essay response which is based on the plan shown in worked example 5.1. The question is repeated for convenience.

A business has recently started to use Elkington's Triple Bottom Line to assess its overall performance. To what extent do you think the business is likely to have higher profits as a result of this?

Elkington's Triple Bottom Line (TBL) is a business approach that looks at the following 3 Ps: Profit, People and Planet. The idea of this approach has become more popular in recent years as firms consider the CSR (Corporate Social Responsibilities) that they have and so no longer are they purely focusing on making a profit, but doing so in a responsible way. While focusing on the TBL can provide benefits to a firm, it does tend to raise costs, particularly in the short term, and so it is more likely to lead to reduced profits rather than higher profits in the main.

However, there are plenty of examples where the introduction of TBL can lead to higher profits. For example, the cosmetics company Lush has placed great emphasis on the planet aspect of the approach — it ensures that all of its raw materials are ethically sourced and aims to use renewable resources that are sustainable. While these tend to be relatively more expensive and add to the firm's costs, the company operates within a niche segment of the cosmetic industry, where its customers are willing to pay a premium price for the products, and so the company faces relatively price inelastic demand. This enables the firm to sustain high profit margins and gain a reputation for the people aspect of its operations, which has helped with the marketing and positioning of the product. This has generated an excellent reputation for the firm, which has arguably led to an increase in profits by adopting a TBL approach. Therefore this would support the view that being ethical and using TBL can lead to higher profits.

Concise and precise definition of TBL — sticks to the plan of starting with a definition.

Signalling where the response is heading — it can lead to higher profits but is more likely to lead to reduced profits. Note how this shows the benefit of having a clear plan and direction.

Bringing in an example of a company that has benefited. Nice example — not telling a story, but explaining how it has increased profits.

Really good chain of analysis which builds up a sustained line of reasoning. Linked to first planned argument.

Final sentence refers directly back to the question — evaluation as you go is always a good idea.