

Cambridge NATIONALS LEVEL 1/2



ENTERPRISE AND MARKETING

OCR-set Assignment

R065 Design a business proposal

Version 1 September 2017

OCR-set Assignment

Assessment Material

OCR Level 1/2 Cambridge National Certificate in Enterprise and Marketing

Unit R065: Design a business proposal

Please note:

This OCR-set assignment is to be used to provide evidence for the unit identified above. Centres must not change any aspect of this assignment.

INSTRUCTIONS TO TEACHERS

The OCR administrative codes associated with this unit are:

- unit entry code R065
- certification codes Certificate J819

The accreditation numbers associated with this unit are:

- unit reference number A/615/2811
- qualification reference(s) 603/0646/4
- **Duration: Approximately 15-20 hours**

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OCR-set Assignment: Information for Learners

OCR Level 1/2 Cambridge National Certificate in Enterprise and Marketing

Unit R065 Design a business proposal

General information for learners

Q *What do I need to do to pass this assignment?*

A You need to produce evidence that meets the marking criteria requirements for the unit to which this assignment relates.

OCR has produced marking criteria grids for this unit, which your teacher may provide for you. The marking criteria grids detail the requirements of each mark band, helping you to understand the requirements for achievement of the different mark bands. Your teacher will apply the band descriptor provided in the marking grids that most closely describes the evidence you have submitted for assessment.

Q *What help will I get?*

A Your teacher will support you when completing this assignment and will make sure that you know what resources or facilities you need and are allowed to use. We've given your teacher information about how much support they can give you.

Q *What if I don't understand something?*

A It's your responsibility to read the assignment carefully and make sure you understand what you need to do and what you should hand in. If you are not sure, check with your teacher.

Q *I've been told I must not plagiarise. What does this mean?*

A Plagiarism is when you take someone else's work and pass it off as your own, or if you fail to acknowledge sources properly. This includes information taken from the internet.

It's not just about presenting a whole copied assignment as your own; you will also be plagiarising if you use the ideas or words of others without acknowledgement, and this is why it's important to reference your work correctly (see Q&A below for more information on referencing).

Plagiarism has serious consequences; you could lose the grade for this unit or you may not be allowed to achieve the whole qualification.

Always remember that the work you produce must be your own work. You will be asked to sign a declaration to say that it is.

Q *What is referencing and where can I find out more information about it?*

A Referencing is the process of acknowledging the work of others. If you use someone else's words and ideas in your assignment, you must acknowledge it, and this is done through referencing.

You should think about why you want to use and reference other people's work. If you need to show your own knowledge or understanding about an aspect of subject content in your assignment, then just quoting and referencing someone else's work will not show that **you** know or understand it and it is likely to be seen as plagiarism. Make sure it's clear in your work how you are using the material you have referenced **to inform** your thoughts, ideas or conclusions.

You can find more information about how to reference in the [The OCR Guide to Referencing](http://www.ocr.org.uk/i-want-to/skills-guides/) available on our website: <http://www.ocr.org.uk/i-want-to/skills-guides/>.

Q ***Can I work in a group?***

A All work submitted for assessment must be your own, individual work. Your teacher can advise you on where it may be possible to work in a group.

Q ***Does my work for each task need to be in a particular format?***

A You can present your work in a variety of ways – it can be handwritten, word-processed, on video or in digital media. What you choose should be appropriate to the task(s) and your teacher can advise you.

Make sure you check the wording in each task carefully. For each task, we'll tell you if your evidence has to be in a specific format:

- If we use the word '**must**', for example 'You must produce a report' or 'Your evidence/work must include a diagram', then you must produce the work in the stated format.
- If we use the word '**could**', for example 'You could include sketches of your ideas' or 'You could do this by annotating your diagram', this means that you are not required to follow the format we have given, but you must make sure that the work you do produce allows you to demonstrate the requirements of the grading criteria.

If you are unsure about what evidence you need, please ask your teacher.

Q ***Can I ask my teacher for feedback on my work?***

A Yes, but they can't give you detailed feedback.

We have given your teacher instructions on what kind of feedback they can give you. For example, they are **not** allowed to tell you exactly what to do to make your work better, but they **can** remind you about what they've taught you and you can use this additional learning to try and improve your work independently. They can say what they've noticed might be wrong with your work, for example if your work is descriptive where an evaluation is required. Your teacher can explain the difference between a description and an evaluation. It's then up to you to decide if you feel your work meets the requirements for an evaluation. If you think it needs to change you need to change it for yourself.

Q ***When I have finished, what do I need to do?***

A You should make sure your work is labelled, titled and in the correct order for assessing.

If you have included the personal details (such as name, address or date of birth) of someone other than yourself in your work, this must be blanked out (anonymised). Your teacher will tell you how to do this. You don't need to do this for information contained in references.

Hand in the work that you've completed for each task to your teacher. They might ask to see your draft work, so please keep your draft work in a safe place.

Q ***How will my work be assessed?***

A Your work will be marked by someone in your centre who has been authorised to do so. They will use the information in the marking criteria grids to decide which mark band your work meets. The marking criteria grids are detailed in each unit and included in the assignment booklet. Please ask your teacher if you are unsure what the marking criteria are for this assignment.

Scenario for the Business Challenge

At 'Progress Ahead' we are looking to expand our accessories range to include a new range of hats. We are seeking exciting hat designs to stock in our nationwide outlets. Casual hats are needed for all seasons. These might include: sunhats, festival hats, beanies or caps, among many other possible options – could your design deliver?

Confidential Forecast:

Progress Ahead fixed costs per month:		£6800.00
Average variable costs per unit to produce:		
Material:	Size:	Variable Cost per unit:
Leather	Infant	£3.40
	Child	£3.80
	Adult	£4.20
Straw	Infant	£1.40
	Child	£1.60
	Adult	£1.80
Cotton	Infant	£1.90
	Child	£2.20
	Adult	£2.50
Felt	Infant	£2.10
	Child	£2.30
	Adult	£2.50
Faux fur	Infant	£2.90
	Child	£3.20
	Adult	£3.50
Linings:		
Cotton	Infant	£1.00
	Child	£1.10
	Adult	£1.30
Satin	Infant	£0.70
	Child	£0.80
	Adult	£0.90
Accessories		
Small accessory (e.g. bobble, ribbon, buttons, feather)		Per accessory: £0.30
Large accessory (e.g. badge, stitched logo, felt flowers, large bow)		Per accessory: £0.80

Read through all of the tasks carefully, so that you know what you will need to do to complete this assignment.

Your Tasks

Task 1: Identify the customer profile for a business challenge product

All of Learning Outcome 1 is assessed in this task.

You want to design a business proposal that meets the requirements of the business challenge scenario. You may present your work in any format that you consider is suitable for the tasks. The evidence you produce must be in your own words.

You must:

- Explain market segmentation and its benefits for a business, using real examples.

You must, for the business challenge product you are considering:

- Apply your knowledge of market segmentation to create and describe a customer profile for the business challenge (e.g. age, gender, occupation, income, lifestyle interests).

Total marks for Task 1: 12 marks

Task 2: Complete market research to aid decisions

All of Learning Outcome 2 is assessed in this task.

You must create market research tools and use these to gain the views of others, in order to develop your proposal in future tasks. Your market research must relate to the business challenge and enable you to produce meaningful results. The market research results should help you design your product. You may present your work in any format that you consider suitable e.g. presentation, written report.

You must:

- Describe the importance of market research using examples of different methods to show your understanding
- Explain the different market research tools you will use and describe the advantages and disadvantages of each
- Explain your chosen sampling methods
- Develop your market research tools and carry out market research that will help you create a suitable product for your chosen customer profile
- Review the results of your completed market research, selecting and using the most appropriate methods to present the results.

Total marks for Task 2: 18 marks

Task 3: Produce a design for a business challenge

Part of Learning Outcome 3 is assessed in this task.

Using the findings from your completed market research, you are required to create a design of your product. Your drawing skills will not be assessed.

You must:

- Generate product design ideas using creative techniques, and explain their strengths and weaknesses in relation to your chosen customer profile
- Select and draft **ONE** design for a proposal from your product design ideas, describing how you have used your market research outcomes. Your draft design must be clearly labelled.

Total marks for Task 3: 6 marks

Task 4: Develop a proposal for a business challenge

Part of Learning Outcome 3 is assessed in this task.

You have now produced a design of your product. It is important for you to review the design using a range of sources.

You must:

- Produce a self-assessment of your design
- Gain feedback from different individuals (e.g. peer feedback) relating to your design. You should summarise the main findings
- Modify your design using the feedback findings, clearly describing the alterations that have been implemented
- Explain the reasons for choosing your final design.

Total marks for Task 4: 6 marks

Task 5: Be able to review whether a business proposal is viable

All of Learning Outcome 4 is assessed in this task.

Using the financial information provided in the business challenge, you need to produce realistic costings relating to your product, as well as calculating break-even and proposing a pricing strategy for your business product. You should carry out a risk assessment of the risks that are associated with producing a new product or service and how businesses in general, try to prevent these from occurring. You need to review if your business proposal is viable in the current market place and if it meets the requirements of the business challenge scenario.

You must refer to the business challenge scenario when completing this task.

You must:

- From the scenario, identify the fixed costs per month for Progress Ahead
- Predict the number of units of your product design Progress Ahead may sell in the first month
- Calculate the total variable costs per unit for your product design
- Select an appropriate pricing strategy
- Propose a selling price per unit for your product design

- Complete calculations to work out the:
 - Predicted total costs for the first month
 - Predicted total profit for the first month if the predicted number of units were sold

- Perform break-even analysis, describing what the results show and the impact of a change in price
- Produce an assessment of the risks involved with producing a product for the business challenge
- Using calculations and your risk assessment, evaluate the financial viability of your business proposal.

Total marks for Task 5: 18 marks

Information for Teachers

OCR Level 1/2 Cambridge National Certificate in Marketing and Enterprise

Unit R065 Design a business proposal

Guidance on using this assignment

1 General guidance

- 1.1 OCR assignments are intended to be used for summative assessment of learners. The OCR specification gives more information on the arrangements for assessing centre-assessed units.
- 1.2 This assignment has been designed to meet the full assessment requirements of the unit. Learners will need to take part in a planned learning programme that covers the underpinning knowledge, understanding and skills of the unit.

2 Before carrying out the assignment

- 2.1 Learners should be provided with a copy of the *Information for Learners* section of this assignment.
- 2.2 Learners will not need to carry out any preparations prior to undertaking the assessment tasks, such as collating resources to use in the assessment.

3 During the assessment

- 3.1 We have estimated that it will take approximately 15-20 supervised hours to complete the tasks. Learners would need approximately:
 - 3-4 hours to complete Task 1
 - 6-7 hours to complete Task 2
 - 2-3 hours to complete Task 3
 - 2-3 hours to complete Task 4
 - 2-3 hours to complete Task 5.

These timings are for guidance only, but should be used by you, the teacher, to give learners an indication of how long to spend on each task. You can decide how the time should be allocated between each part or individual task. You are also permitted to spread the tasks across several sessions, and therefore, it is permissible for evidence to be produced over several sessions.

- 3.2 Some of the work, by its very nature, may be undertaken outside of the centre, for example, the market research to be completed in Task 2. Additional, unsupervised research time may be required for this, over and above the hours identified for this task in 3.1 above.

Learners must complete this assignment before they can progress onto the OCR-set assignment for Unit R066.

4 When completing the assignment and producing evidence

- 4.1 Each learner must produce individual and authentic evidence for each task within the assignment.
- 4.2 You may give general support and guidance to learners. This support and guidance should focus on checking that learners understand what is expected of them and giving general feedback that enables the learner to take the initiative in making improvements, rather than detailing what amendments should be made. It is not acceptable for you to provide answers, to provide writing frames or templates, to work through answers in detail or to detail specifically what amendments should be made.
- 4.3 Learners may use information from any relevant source to help them produce evidence for the tasks.
- 4.4 Learners must be guided on the use of information from other sources to ensure that confidentiality is maintained at all times and that plagiarism is avoided.
- 4.5 We have specified what evidence the learner is expected to produce and given examples of the format it could take. The learner can use a different, appropriate format unless we state they must not. The format should be the most appropriate for the purpose of, and target audience for, each individual task. We would not expect to see identical formats of evidence generated by entire cohorts of learners.

We advise you to read Section 4 of the specification, which includes further guidance on authenticity and providing feedback.

5 Presentation of work for marking and moderation

- 5.1 Centres wishing to produce digital evidence in the form of an e-portfolio should refer to Appendix B in the specification for guidance on the production of electronic assessment.
- 5.2 Encourage learners to present their work so that it is easily accessible, e.g. spiral bound, stapled booklet, treasury tag. Excessive use of plastic wallets for presentation of evidence can hinder the assessment process.

6 Conditions for using this OCR-set assignment

You must not change any aspect of the OCR-set business challenge scenario or tasks. The set of tasks form a coherent whole, addressing all the learning outcomes and allowing access to the full range of marks.

Altering any aspect of this assignment may constitute malpractice and will be subject to investigation by OCR.

7 Specific guidance on the tasks

Learners may wish to keep an optional reflective diary or log throughout the completion of this unit. In the diary/log they could write about things that have gone well, and what has not gone so well. This optional diary/log may help them to complete the overall review in Task 4 of the OCR-set assignment for Unit R066. However, this log will **not** be assessed.

In order to complete Task 1, learners will need to have a top-level idea of the type of hat they wish to produce (e.g. a child's sunhat, an adult's cap). They will then create and describe a customer profile that relates to their idea. This idea will be designed and developed as they work through the tasks.

The work for Tasks 1 and 2 consists mostly of practical tasks, with learners completing appropriate research and using their analytical skills to help inform their design proposal. However, there are some elements of these tasks that will require learners to evidence more generic knowledge and understanding of real business activities (the first bullet of each task).

In Task 3 learners must evidence that they generated more than one design idea, and explained the strengths and weaknesses of each idea, before selecting one idea to take forward into a full draft design. Learners' evidence for Task 4 should clearly show how self-evaluation and feedback received from peers or others helped inform their decision-making and modifications to their final design.

Marks should **not** be awarded for the artistic merit of the design that the learner produces. However, the draft design should be clearly labelled to show that the design is fully thought out and ensure it can be easily interpreted by others. If learners are not confident about drawing a design, they may produce it electronically, but either way, should provide full descriptions of **all** key aspects of the design.

Learners should self-assess and gain peer feedback on their chosen design in order to make clearly identified modifications. They should explain the reasoning behind their final design choices and any changes made to them.

For Task 5, learners must refer to the costs given in the business challenge scenario and demonstrate their ability to use and apply specific financial costs, in order to gain a realistic understanding of the costs associated with their chosen product. They must select a pricing strategy and propose a selling price per unit for their product. They will perform break-even analysis and describe the potential risks involved if the product were to be launched.

All bullets within each task must be evidenced.

Group work

It is possible for learners to work in groups to discuss the knowledge aspects of this unit. However, all practical tasks and evidence submitted for assessment must be entirely the learners' own work.

For example:

- In Task 1, learners may discuss the concepts of customer profiles and market segmentation in groups, but they must identify their own customer profile, specific to the business challenge proposal they are considering.

- In Task 2, learners may discuss the use of market research in groups, but they must create their own market research tools and complete their own market research.
- In Task 3, learners may work in groups to discuss creative techniques and how to generate design ideas, but the design ideas generated must be individual to the learner and relevant to their identified customer profile and completed market research.
- It is not permitted for learners to work in groups to complete any aspect of Tasks 4 and 5.

Marking criteria guidance for Unit R065

We give a description of the key words (printed in **bold**) used in the marking criteria in *Marking criteria glossary of terms* in Appendix C of the Specification. You must use the complete description in the marking criteria and not rely only on the words in bold.

A range of marks is allocated to each learning outcome. Where marks are allocated to a number of statements within a learning outcome, marks should be awarded using a 'best fit' approach. For each of the learning outcomes, one of the descriptors provided in the mark scheme that most closely describes the quality of the work being marked should be selected. Marking should be positive, rewarding achievement rather than penalising failure or omissions. The award of marks **must be** directly related to the marking criteria.

- Each band descriptor covers all the relevant content for the learning outcomes.
- The descriptors should be read and applied as a whole.
- Make a 'best fit' match between the answer and the band descriptors.
- An answer does not have to meet all of the requirements of a band descriptor before being placed in that band. It will be placed in a particular band when it meets more of the requirements of that band than it meets the requirements of other bands.
- Where there is more than one strand within the band descriptors for a learning outcome and a strand has not been addressed at all, it is still possible for the answer to be credited within that mark band depending upon the evidence provided for the remaining strands. The answer should be placed in the mark band most closely reflecting the standard achieved across all strands within the band descriptors for a learning outcome; however in this scenario, the mark awarded for that band should reflect that a strand has not been addressed.

When deciding the mark within a band, the following criterion should be applied:

- the extent to which the statements within the band have been achieved.

For example:

- an answer that convincingly meets nearly all of the requirements of a band descriptor should be placed at or near the top of that band. Where the learner's work *convincingly* meets the statement, the highest mark should be awarded
- an answer that meets many of the requirements of the band descriptor should be placed in the middle of the band. Where the learner's work *adequately* meets the statement, the most appropriate mark in the middle range should be awarded
- if an answer is on the borderline between two bands but it is decided that it better fits the descriptors for the lower of these two bands, then it should be placed near the top of that band. Where the learner's work *just* meets the statement for the higher band, the lowest mark for that band should be awarded.

Marking criteria grids for Unit R065

LO1: Be able to identify the customer profile for a business challenge 20% (12 marks)		
MB1: 1-2 marks	MB2: 3-4 marks	MB3: 5-6 marks
Provides limited explanation of market segmentation, including a few segmentation techniques and demonstrating a basic understanding of the benefits to a business.	Provides a clear explanation of market segmentation, including some segmentation techniques and demonstrating a reasoned understanding of the benefits to a business.	Provides a comprehensive explanation of market segmentation, including a full range of segmentation techniques and demonstrating a thorough understanding of the benefits to a business.
MB1: 1-2 marks	MB2: 3-4 marks	MB3: 5-6 marks
Describes limited features of a specific customer profile using market segmentation and partly applies this knowledge to the requirements of the business challenge.	Describes some features of a specific customer profile using market segmentation and mostly accurately applies this knowledge to the requirements of the business challenge.	Describes in detail the features of a specific customer profile using market segmentation and accurately applies this knowledge to the requirements of the business challenge.

0 marks = no response or no evidence worthy of credit.

LO1 is assessed in Task 1 of this assignment.

LO2: Be able to complete market research to aid decisions relating to a business challenge 30% (18 marks)		
MB1: 1-2 marks	MB2: 3-4 marks	MB3: 5-6 marks
<p>Outlines with limited understanding the importance of market research. The description includes a limited range of research methods.</p> <p>Briefly states the advantages and/or disadvantages of each selected market research tool.</p> <p>A basic description of the sampling methods is provided, evidencing a limited understanding.</p>	<p>Describes and demonstrates a good understanding of the importance of market research. The description includes a range of research methods.</p> <p>Relevant descriptions of the advantages and disadvantages of each selected market research tool are provided.</p> <p>The sampling methods are explained, evidencing a sound understanding.</p>	<p>Describes and demonstrates a thorough understanding of the importance of market research. The description includes a wide range of research methods.</p> <p>Detailed explanations of the advantages and disadvantages of each selected market research tool are provided.</p> <p>The sampling methods are comprehensively explained, evidencing a thorough understanding.</p>
MB1: 1-4 marks	MB2: 5-8 marks	MB3: 9-12 marks
<p>Creates market research tools with limited effectiveness, resulting in completed research outcomes with basic relevance to the objectives.</p> <p>Partly reviews the results to inform decision making.</p> <p>Collates the results using basic methods to briefly present some outcomes.</p>	<p>Creates mostly appropriate market research tools, resulting in completed research outcomes with clear relevance to the objectives.</p> <p>Effectively reviews the results to inform decision-making.</p> <p>Collates the results using mostly effective methods to present a sound summary of the outcomes.</p>	<p>Creates comprehensive, accurate and fully appropriate market research tools resulting in completed research outcomes that are effective and wholly relevant to the objectives.</p> <p>Thoroughly analyses results to inform decision making.</p> <p>Collates the results using effective methods in order to comprehensively present the outcomes.</p>

0 marks = no response or no evidence worthy of credit.

LO2 is assessed in Task 2 of this assignment.

LO3: Be able to develop a design proposal for a business challenge 20% (12 marks)		
MB1: 1-2 marks	MB2: 3-4 marks	MB3: 5-6 marks
Generates product design ideas and briefly identifies the strengths and weaknesses of each, with basic links to the customer profile identified. Drafts a basic design for a proposal with limited reference to market research outcomes.	Generates product design ideas and explains the strengths and weaknesses of each, with some links to the customer profile identified. Drafts an appropriate design for a proposal partly relating it to market research outcomes.	Generates product design ideas and fully justifies the strengths and weaknesses of each, clearly linking these to the customer profile identified. Drafts a wholly appropriate design for a proposal fully relating it to market research outcomes.
MB1: 1-2 marks	MB2: 3-4 marks	MB3: 5-6 marks
A basic self-assessment is produced and feedback from others is briefly summarised. Modifications to the design are carried out, which are partly outlined . Limited reasons for choosing the final design are provided.	A sound self-assessment is produced and feedback from others is mostly summarised. Appropriate modifications to the design are carried out, which are identified and described . The reasons for choosing the final design are clearly explained .	A thorough self-assessment is produced and feedback from others is effectively summarised. Appropriate modifications to the design are carried out, which are clearly detailed and fully explained . The reasons for choosing the final design are fully justified .

0 marks = no response or no evidence worthy of credit.

LO3 is assessed in Tasks 3 and 4 of this assignment.

LO4: Be able to review whether a business proposal is viable 30% (18 marks)		
MB1: 1-3 marks	MB2: 4-6 marks	MB3: 7-9 marks
<p>Identifies the fixed and some variable costs relating to their chosen product design and applies the information identified to complete variable cost calculations for their product design, with limited accuracy.</p> <p>Selects a pricing strategy for their product design with little relevance to their identified customer profile and proposes a selling price per unit that evidences limited consideration.</p> <p>Predicts a number of units for sale in the first month that evidences basic reasoning and calculates the predicted total costs for the first month and predicted total profit for the first month, with limited accuracy.</p>	<p>Identifies the fixed and most relevant variable costs relating to their chosen product design and applies the information identified to complete accurate variable cost calculations for their product design.</p> <p>Selects a pricing strategy that is mostly appropriate for their product design and identified customer profile and proposes a partly reasoned selling price per unit.</p> <p>Predicts a partly reasoned number of units for sale in the first month and mostly accurately calculates predicted total costs for the first month and predicted total profit for the first month.</p>	<p>Identifies the fixed and all relevant variable costs relating to their chosen product design and applies these to accurately calculate the total variable costs per unit for their product design.</p> <p>Selects a pricing strategy that is wholly appropriate for their product design and identified customer profile and proposes a thoroughly reasoned and appropriate selling price per unit.</p> <p>Predicts a considered, realistic number of units for sale in the first month and accurately calculates predicted total costs for the first month and predicted total profit for the first month.</p>
MB1: 1-3 marks	MB2: 4-6 marks	MB3: 7-9 marks
<p>Demonstrates a basic understanding of break-even. Applies the break-even formula in order to calculate the break-even point for their business proposal with limited accuracy.</p> <p>Provides a basic outline of the impact of a change in price on the break-even point for their business proposal, evidencing a limited understanding of that impact.</p> <p>Demonstrates a limited understanding of the risk factors involved with producing a new product.</p> <p>The financial viability of their business proposal is assessed with limited accuracy and detail.</p>	<p>Demonstrates a sound understanding of break-even. Accurately applies the break-even formula in order to calculate the break-even point for their business proposal. Describes the results of the break-even analysis in the context of their business proposal.</p> <p>Describes the impact of a change in price on the break-even point for their business proposal, evidencing a sound understanding of that impact.</p> <p>Demonstrates a reasoned understanding of the risk factors involved with producing a new product.</p> <p>Partly evaluates the financial viability of their business proposal.</p>	<p>Demonstrates a thorough understanding of break-even. Accurately applies the break-even formula in order to calculate the break-even point for their business proposal. Comprehensively explains the results of the break-even analysis in the context of their business proposal.</p> <p>Effectively analyses the impact of a change in price on the break-even point for their business proposal, evidencing a thorough understanding of that impact.</p> <p>Demonstrates an extensive and advanced understanding of the risk factors involved with producing a new product.</p> <p>Fully evaluates the financial viability of their business proposal.</p>

0 marks = no response or no evidence worthy of credit.

LO4 is assessed in Task 5 of this assignment.

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