

## **Vocational Qualifications (QCF, NVQ, NQF)**

### **CPC (Certificate of Professional Competence)**

Level 3 CPC (Certificate of Professional Competence) for Transport Managers (Passenger Transport) – **05670**

Unit P2: Certificate of Professional Competence Passenger Transport - **05678**

## **OCR Report to Centres March 2018**

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This report on the examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the examination.

OCR will not enter into any discussion or correspondence in connection with this report.

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# Level 3 CPC (Certificate of Professional Competence) for Transport Managers (Passenger Transport) – 05670

## General Comments

I make no apology for emphasising once again, the importance of carefully reading both the case study and the questions, before beginning to answer each question. Many candidates also failed to gain marks by not answering the question which was asked. It should be understood that marks will not be awarded for correct facts if they do not relate to the case study or answer the question which is being asked.

The case study paper must always contain at least one question from each of three syllabus areas, operator licensing, drivers' hours/records and vehicle costing. In this paper, as is often the case, the drivers' hours area was examined by way of a driver schedule and this question was well answered by the majority of candidates. The vehicle costing question was asked in a slightly different way to that normally used, as candidates were required to calculate the annual cost of operating a service, rather than the cost of operating one journey. Answers to this question suggested that candidates have simply practised past papers and used the same methodology to answer this question, as a significant number divided the given annual cost figures by the number of days in use and then multiplied this daily figure again to reach an annual cost. This 'double calculation' often resulted in an incorrect answer, as candidates compounded rounding differences by multiplying them in the second part of their calculation. This question proved the importance of reading the instructions carefully, as many candidates gave a daily cost as their answer, rather than the annual cost which was demanded.

More detailed explanation of the comments above and how they relate to this paper is given below in the notes on each question.

The nominal pass mark for this examination is 30 but after every examination, a group of senior examiners and industry sector representatives reviews each paper and sets the actual pass mark in order to reflect the paper's level of difficulty. In this case, the PASS MARK was set at 30.

The PASS RATE for this examination was 52%.

The PASS MARK for the paper-based multiple choice paper (P1) in this session was 42 and the PASS RATE was 48%.

The following comments are designed to help centres and candidates in future examination preparation, and while examples of answers which would attract correct marks are given, there are, for some questions, other ways of answering which would also be awarded full marks.

## **Question 1**

Fred has asked you to assess the financial standing of RSA .

From the information provided in the case study, and showing all your workings, calculate

- (a) RSA's working capital
- (b) RSA's working capital ratio
- (c) RSA's acid test (quick assets) ratio
- (d) RSA's return on capital employed

This question required candidates to understand a simple balance sheet and be able to calculate four financial indicators. Those candidates who had taken their training notes into the examination would have found the formulae for these calculations within those notes. Parts (b) and (c) of the question each required the calculation of a ratio and unfortunately many candidates failed to gain marks by not expressing their answer as a ratio. For example, in part b, the correct answer was 1.2:1, not simply 1.2.

## **Question 2**

Fred believes that OCR is run more efficiently than RSA, but that RSA's Addison contract may be quite profitable.

- a) Using the information provided by Jon and set out in the case study, calculate the current annual cost of operating the Addison contract.
  
- b) Calculate the profit/loss to RSA from operating the Addison contract.

**Note:**

**You MUST show all your workings.**

This was a standard vehicle costing question, and was generally well answered, with 55% of candidates gaining at least six of the available 12 marks and 14% gaining all 12. The question varied slightly from the most common format in that it required candidates to calculate an annual cost, rather than the more usual trip cost. The case study gave a number of the costs on a per day or per kilometre basis, thereby requiring candidates to multiply them by number of days or distance travelled on the contract. However, some candidates correctly calculated the annual depreciation, which should have been used directly in the annual figure, but instead, then divided it by the number of days in use and then multiplied it up by the same figure of 192 days use. This means they arrived at an incorrect figure having disregarded the rounding in their first division calculation.

An example of a correct calculation is shown on the next page:

Annual contract mileage: 145,920km

Vehicle purchase price excluding tyres = £148,480.00

Less residual value after 8 years = £123,440.00 ÷ 8 years = **£15,430.00** per annum

Other standing costs: £160 per day x 192 days = **£30,720.00** per annum

Driver cost: £120 per day x 192 days = **£23,040.00** per annum

Fuel cost: £1.20 per litre ÷ 4kpl = £0.30 per km x 145,920km = **£43,776.00** per annum

**OR** 145,920km ÷ 4kpl = 36,480 litres x £1.20 per litre = £43,776 per annum

Tyre cost: £1560.00 ÷ tyre life 39,000km = £0.04 per km x 145,920km = **£5836.80** per annum

Maintenance cost: 145,920km x £0.02 per km = **£2,918.4** per annum

Total Annual Cost **£121,721.20**

The current contract price is £168,000.00 per annum, so therefore the projected profit for OCR would be  
£168,000.00 - £121,721.20 = **£46,278.80**

### **Question 3**

**Fred is considering whether he would continue to operate RSA as a separate company with its own operator licence or add the RSA operation to OCR's current operator licence. He has asked you to explain the operator licensing implications for each option.**

- (a) **Outline FOUR actions that would be required to allow RSA to continue to operate under its own operator licence, if the company is acquired by OCR.**
- (b) **Outline EIGHT actions that would be required to add the RSA operating centre and vehicles to OCR's operator licence.**

This question was not well answered overall, with only 17% of candidates achieving at least six of the available twelve marks.

Most candidates believed that it would be necessary for OCR to apply for a new licence, either in part (a) or part (b) of the question, when in fact, in part (a), acceptable answers were -

- Notify the CLO within 28 days
- Complete /send form PSV 430
- Complete/send form TM1
- Send Fred's CPC Certificate
- Notify change of directors
- Complete/send form PSV 431A

In part (b) of the question, where OCR were to add an operating centre and additional vehicles to their existing licence, there were many more required actions, but not the requirement to apply for a new licence. A further reason for candidates not gaining marks in this examination, as in many previous ones, was that they did not give ACTIONS, but merely listed form numbers or documents.

**Question 4**

**Fred wants to review the operation of RSA’s contract with Addison. Using the information provided by Jon and set out in the case study**

- (a) Prepare a driver schedule for one outward journey from RSA Depot to Addison Aberdeen. Your schedule MUST start when the driver begins work and finish at the end of his duty in Aberdeen.**

**Note:  
You MUST show the destination for all driving periods.**

- (b) Give the earliest possible departure time for the return journey from Aberdeen**
- (c) Give the minimum number of drivers required to operate this service each week. Outline ONE reason for your answer.**

Parts (a) and (b) were well answered, with most candidates producing a valid, legal schedule and correctly determining the earliest time for departure on the return journey. A correct schedule is shown below.

Start time	Finish time	Activity
0745	0800	
0800	0815	Drive to Sunderland
0815	0915	Load Passengers
0915	12.42	Drive to Glasgow
12.42	13.27	Break
13.27	16.57	Drive to Inverness
16.57	17.42	Break
17.42	20.00	Drive to Aberdeen
20.00	20.30	Clean coach

For part (b) of the question, candidates were awarded the mark for correctly identifying that the earliest departure time would be nine hours after the end of duty on the previous day, even where they had determined an incorrect end of duty in the schedule above.

Some candidates noted that departure would be nine hours and fifteen minutes after the end of duty, to allow for a fifteen minute vehicle check. The mark for this part of the question was awarded whether or not the fifteen minutes was accounted for.

Part (c) of the question was less well answered, with answers varying between one and three drivers. Reasons for the number required were also very varied, with most candidates calculating weekly driving times or suggesting double manning and answering accordingly.

Two drivers would be required to operate the service each week, for although it can be operated single manned, the extended driving hours required, meant that one driver could only do one return trip i.e. two days in which his or her driving time exceeded nine hours.

### **Question 5**

**Fred has asked you to determine the Periodic Training requirements for the RSA drivers.**

- (a) Using the information provided in the Case Study, state how many hours of Periodic Training will be required for each of the RSA drivers in the groups set out in Fig.5 of the case study. For each group of drivers state the year by which this training must be completed.**
  
- (b) Outline two ways in which the two potential part time drivers can obtain their Driver Qualification Cards**

This question was generally well answered, with 64% of candidates gaining at least five of the available 10 marks. The number of hours of periodic training remaining to be completed were given correctly in almost every case, but the most common errors were to give an incorrect completion date for driver groups A and B. Completion for these must be no later than September 2019.

The other reason for many candidates not gaining full marks in this question was an incorrect or missing answer in part (b). The question demanded two ways in which the potential part time drivers could obtain their DQCs. Most candidates correctly stated that they could complete 35 hours of periodic training, but failed to state that alternatively they could achieve this by PASSING modules two and four of the multi-part driving test. Candidates who stated that they could obtain their DQC by taking or completing modules two and four were not awarded the mark.

### **Question 6**

**Fred believes that RSA's current vehicle safety inspection interval is too short and and that there could be a significant cost saving by using a more appropriate interval.**

**Using the information provided by Jon and set out in the case study and the The DVSA Guide to Safety Inspection Intervals (Fig.4)**

- (a) Identify the appropriate line to use and the most appropriate interval in whole weeks between safety inspections for the RSA vehicle used on the Addison contract.**
  
- (b) Calculate the potential annual saving to RSA if the interval between vehicle safety inspections is increased to that calculated in part (a).**

Part (a) of this question required candidates to identify line B as the appropriate line on the graph and then, using the mileage for the vehicle used on the Addison contract, (145,920km ) determine the appropriate weekly interval between safety inspections. The graph indicates an interval just below six weeks, so therefore the actual interval should be five weeks.



Part (b) involved calculating the saving to the company by using a five week interval, rather than the current four week interval. Marks were awarded to candidates for correctly calculating the saving, whatever interval was determined in part (a).

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