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Examiners' Report  
Principal Examiner Feedback

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Pearson Edexcel International Advanced Level  
In Business (WBS14/01)  
Unit 4: Global Business

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This second sitting of the new specification WBS14 paper went well despite the ongoing difficulties. The paper seemed to discriminate well, with candidates accessing a wide range of marks, with some good, and occasionally very good, responses to the questions set. There were also some very weak responses that showed little understanding of, or even familiarity with, the specification content.

The main reasons for some students underachieving were the usual ones of not heeding command words and not reading the questions carefully enough. For some reason this seemed to be more of a problem in this paper, particularly for questions 1a, 1d and 1e. Command words are still being ignored by a sizeable number. Instructions to 'Assess' and 'Evaluate' were not followed by some candidates.

Once again, it is worth reminding future students of the need to apply proper context to all responses. Repeating generic or stock answers or just copying the text out will not access the higher levels of the mark scheme. Too many candidates just rewrote the extracts without adding much in the way of analysis and development.

## **SECTION A**

### **Question 1a**

Despite the clear instruction at the start of the question to use Extract A, many candidates ignored it and therefore failed to gain any marks. The graph clearly showed that production or supply, had consistently exceeded consumption or demand, candidates then needed to use that evidence to show that the global price of coffee was likely to have fallen.

### **Question 1b**

Most candidates were able to offer a characteristic of an emerging economy but not all were able to develop it by using examples or context. It is worth remembering that the 4 mark questions have two application marks and so explanation needs to be well supported. The most common response was to identify a rapid growth of GDP. Although the examiners were generous in their interpretations of the characteristics offered, some were just too general and could have applied to any type of economy and so did not merit rewarding.

### **Question 1c**

HDI was understood accurately by only a small number of candidates but most had some idea of its three components and were able to show its usefulness or otherwise, as an indicator of economic growth. Some failed to offer any balance to their response. Better answers looked at the value of alternative measures, or the weaknesses inherent in using HDI.

### **Question 1d**

The question about the importance of government incentives when choosing a production location produced a wide range of responses. The majority could present a good analysis of what it meant to an international business and why it might be important. Nevertheless, only a few were able to go beyond the context of the extract and discuss much beyond Ireland and its tax rates. Balance was often lacking or confined to a list of other factors, with no development or use of example. A significant number weakened their argument by stating that lower tax rates reduced the average cost of production.

### **Question 1e**

Unfortunately, a significant number of candidates failed to gain many (if any) marks on this question. Instead of focusing on the impact of FDI on globalisation, they discussed the impact of FDI on the host economy, or the labour force, or the environment which was not the question set. This illustrates the need for students to read the question wording carefully and think about their response before putting pen to paper.

There were some good answers here that did provide a good explanation of the impact of FDI on globalisation. These looked at the changes that FDI brought about in levels of trade, exchange of knowledge and culture and then balanced this with other factors that may have also led to an increase in globalisation, such as improved communication and transport, expansion of trade blocs and political and social change.

## **SECTION B**

The case studies were accessible to students and acted as good platforms from which students could build their answers. Q3 was generally much more accessible than Q2, exchange rates continue to be a difficult topic for many with some confusing the impacts of depreciation and appreciation.

For the students that did not do so well in the 20-mark questions, it was usually because they had simply copied out, or re-written the evidence with little or no attempt at analysis or evaluation. Good conclusions were rare, simply re-writing previously made points adds nothing to the answer.

The key to doing well in these longer questions is to develop the arguments and support them throughout with evidence, not just from the extracts provided but with examples taken from wider reading, followed by a meaningful conclusion that adds to and clarifies previous discussion .

### **Question 2**

Exchange rates continue to prove a challenging topic for many students, and many struggled to get beyond level 2. Too many simply rewrote the extracts without any clear explanation of why the situations described had come about. Balance was often lacking; candidates seemed to think that just contrasting the good news for corn producers against the troubles of the airline was enough. The question asked for the impact on international businesses in general. Better responses looked at other factors, the size and duration of changes, the nature of the international business and the significance of PED.

### **Question 3**

In general, a much better answered question than Q2. This was a well understood topic and most candidates could say something about the benefits of inorganic growth and its potential disadvantages. However, many did not go beyond simple assertions or copying out the source material without really adding anything useful to it. Balance was often lacking or based on assertions without supporting argument or evidence. Better answers used examples well to support their arguments which lead to thoughtful conclusions. It was good to see that some candidates looked at the challenges facing the car industry such as the development of battery power and linked that to the type of growth that might be needed.

There was very little evidence to suggest that candidates did not have enough time to complete the paper.

**Based on their performance on this paper, candidates are offered the following advice:**

- Do read the question carefully and answer the question that is set
- Do watch out for command words such as Assess or Evaluate
- Do use examples to illustrate your argument
- Do use the language of the subject and avoid generalities
- Do watch your timing and do not spend too long on one question
- Do write concisely
- Do add a conclusion to the longer questions

