

# Examiners' Report June 2019

GCSE Business 1BS0 02



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#### Introduction

This was the first sitting of the brand new GCSE in Business (9-1). It was pleasing to note that the number of candidates sitting this qualification rose again for the tenth consecutive year (if we include its predecessor specification) to just under 50,000.

This qualification was born in the crucible of the success of the previous qualification (2BS01 – Edexcel GCSE Business Studies) - which provided centres with a rigid examination question paper structure and a consistent approach to marking. Nothing has changed - over time centres will learn the approach which has been propagated in training. **Thus, centres should view this Examiners' Report as a critically important document**. It will give you a guide as to how best to approach the teaching of each question style - essential information that you can take back and use in a classroom environment to generate improved levels of performance with your candidates.

Please note that I have deliberately made this Examiners' Report lengthy (apologies if you photocopy it) - so that it can be used by teachers and students, alike, in a highly useful way. **Please ensure that this report is used extensively in the classroom - it should not be a document that is used exclusively by teachers.** 

Each question will have at least two explained exemplars that you can use with your students and I have deliberately chosen responses where mistakes have been made. These can be contrasted with high-scoring response exemplars. Where appropriate, I have also included examiner tips on how candidate performance could be improved in subsequent years.

I hope that you enjoy reading this report and that you find it a useful document in helping you to generate improved performance with your candidates in next year's examination.

### Question 1 (c)

This question proved to be very difficult to mark. Candidates provided answers that could be true of any type of production process. Thus, the decision was made at standardisation to only award marks if it was made clear by the candidate that the response related specifically to 'job production' as opposed to any other type of production process.

Thus, a degree of examiner judgement was required in the marking of this question. The first exemplar, below, should be contrasted with the final exemplar to highlight the difficulties that examiners faced.

(c) Explain <b>one</b> drawback to a business of using job production.	(2)
One drawback is that Go	its
KISKy. This is become	
markt mure some mistures	Thy
and cause to the business	10
adjuct Cers austoment, \$	



This response could apply to any type of production process. The same '*...might make mistakes*' would be true of both batch and flow production. There is nothing in this response that shows that the candidate is answering the question.

As a result, the response scored **0 marks**.



In a 3 mark 'explain' question, all you need to do is state a drawback/advantage etc. and provide two logical linked strands - however make sure your answer is not vague and answers the set question.

(c) Explain one drawback to a business of using job production. (3)one disciduantacie is that DIDIO 7(FIUN JOD 11 WPPL FOR MININ SAG l¥) OFP hl 0 a posi 11 (r)11 l JJL*TIUO* (0)W



The candidate makes it clear that they understand 'job production' through '...used for high value specialised items'. This allows the response to score some marks. This drawback is then developed through '...staff need to be higher trained and have specific skill sets' which is linked to '...pay them more increasing costs'.

This candidate has provided a drawback and two logical linked strands of development and **3 marks** in total were scored.

### Question 1 (d)

This was a much more straightforward question and it was very well answered. The vast majority of candidates could provide an advantage and then generate two logical linked strands that emanated from that advantage.

The modal mark on this question was 3 marks.

(d) Exp	lain <b>one</b> :	advantage	to a bus	iness of pr	oducing a hi	gh quality pro	oduct.	(3)
One	advo	nroge	ÿ	that	More	weto	mejs	we
likely	ち				This is		че	astoney
Lui	See	Mor	Value	in a	Rodu	et that	ÿ	hige
heality	tran	on	tra	t isn'	x Son	netines	مت	lependant
of ry	rile.	this	Liu	lead	to the	high y	endiz	product
being	bong,				on its	-		Thir
Lin L	ead						501	be
busines	গ, t	low	10 1	har	product	inte , a	m)	nide se
Succes		f the				oduct.		



This response is overly long. It scores 3 marks since we have an advantage and then two subsequent, logical linked strands. However, the candidate then goes on and provides more linked strands than is necessary. This could be a candidate who possibly runs out of time if they have replicated this approach on all 6 of the 3 mark 'explain' questions.



Do 3 mark answers need to be this long? Practise, in class' to try and reduce the number of words used to score 3 marks. Overkill on these types of questions can prevent you from finishing the exam paper.

(d) Explain **one** advantage to a business of producing a high quality product.

(3) will near ~01 product NC emu price



This was a shorter answer to the same question and also scored 3 marks. We have '...add value to the product', which is linked to '...charge a more premium price' which is linked to '...higher gross profit'.



Note the use of linking words that this candidate has used. We have *'therefore'* and *'consequently'* allowing examiners to easily count the linked strands that follow on from the stated advantage.

### Question 2 (c)

There had been numerous questions on 'ask the expert' and several Facebook discussions regarding the scope of the questions likely to be asked on ARR. I hope this question allays many of those fears. 'Calculate' questions will only ever be 2 marks in length so any question on ARR is going to be simple in nature.

Note that all 'Calculate' questions test application so there are no marks awarded for the provision of a formula. The marks come from having the correct answer - which automatically generates 2 marks. If the correct answer is not given, examiners are instructed to look at the workings to see if there has been a mathematical slip. If there has - 1 mark can be scored.

Thus, in 'Calculate' questions there will be very few 1 mark responses. Most candidates will either score 0 or 2 marks.

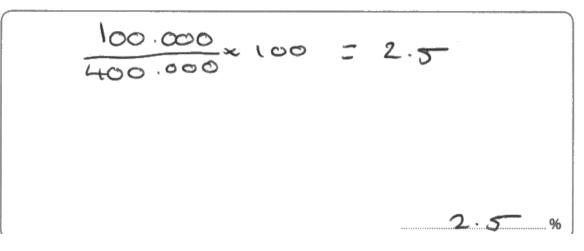
Table 1 contains information about a new piece of machinery that a business wants to purchase.

Average annual profit	£100 000
Cost of new machine	£400 000

#### Table 1

(c) Using the information in Table 1, calculate the average rate of return. You are advised to show your workings.

(2)





This answer is a rare example of a 1 mark answer to this question. The candidate has not provided the correct answer, so 2 marks cannot be awarded. At this point the examiner is instructed to look at the workings. In this case, the workings are correct.

1 mark was scored.

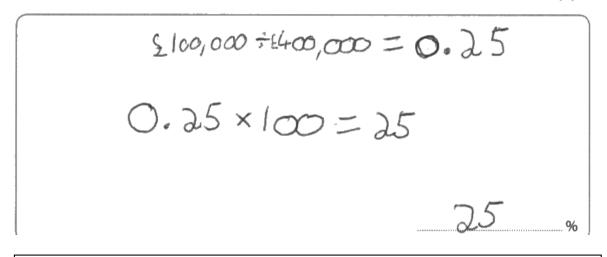
Table 1 contains information about a new piece of machinery that a business wants to purchase.

Average annual profit	£100 000
Cost of new machine	£400 000

#### Table 1

(c) Using the information in Table 1, calculate the average rate of return. You are advised to show your workings.

(2)





This candidate has provided the correct answer of '25%' - so automatically examiners would have awarded 2 marks, irrespective of what else is written in the box.

2 marks were awarded.



Learn the formulae. There will always be 9 marks of quantitative questions in the exam paper. 8 marks come from four 2 mark 'Calculate' questions with the final mark coming from a 1 mark 'Identify' question.

### Question 2 (d)

This was another well answered question. Most candidates focused on the ability to negotiate discounts, trade credit or ensure deliveries were made on time. Again, the majority of candidates provided two linked strands that logically developed the stated benefit as a straightforward route to 3 marks.

(d) Explain one benefit to a business of having a good relationship with its suppliers. (3)16 a business has a good relationship u when buyin dads ex and e same. product / moternal to reduced IN'Z 15002 and therefore the burneer has more retrained argue Greubere o g.m. exposion



This response is longer than it needs to be. The candidate starts off by repeating the question. The first mark for the benefit is not awarded until '...deals can be made when buying in certain quantities'. This is then logically linked to '...reduced costs for the business' and '...therefore the business has more retained profit'.

**3 marks** were awarded, but the same 3 marks could have been achieved through far fewer words.



**Avoid repeating the question in your first sentence**. By doing this on every question you are writing another 2 A4 sides of work which scores you 0 marks - this is the main reason why candidates do not finish the paper.

(d) Explain one benefit to a business of having a good relationship with its suppliers. (3)the benent to a business having relationship with si 15 hers being DOSSID trade cred for example, 10 able 15 )OU not CO IL Jals uses. SUDDIEr rnarpr 0 Can CI profits when beH are DOU



This candidate wastes time by repeating the question. The first mark is generated through '*...eligible for trade credit*' on line 3. There is then one strand of development - resulting in the candidate only being able to score 2 marks.

The response scored **2 marks**.



Make sure that you count your strands of development on your fingers to ensure you have two strands following the statement of a benefit/drawback etc.

### Question 2 (e)

This was another well answered question. Most candidates focused on the business gaining branding benefits or being able to divert pressure group activity away from the business. The vast majority of candidates found a straightforward route to 3 marks.

(e) Explain <b>one</b> advantage to a business of improving its environmental sustainability.	(2)
If a business improves its	(3)
environental Sustainability t	hen
it can improve the relation	
between Heir Local commu	-
or forto pressure group	5
outside op the business.	



This response just states two advantages - both of which would be valid. However, the question asks candidates to explain **one** advantage. Therefore, only one advantage counts and there are no subsequent strands of explanation.

1 mark was awarded.



Try and avoid the use of the words 'also' and 'or' on these type of questions. It suggests you are drifting off focusing one advantage/benefit/drawback etc.

(e) Explain **one** advantage to a business of improving its environmental sustainability.

(3)advantage is that it would be morally and Hhae Customers Correct This means Ь business nes may promot For enviro Mental Support Means less for usiness , lead protits



This was an unusual answer that eventually scored 3 marks. The first mark is gained through the statement of the advantage '...it would be ethically and morally correct' which is developed through '...this means customers will be attracted to the business'. Thus, the answer is on 2 marks before there is a sudden change to a separate, second advantage. The first mark is then awarded for '...government may promote the business for its environmental support' which is developed through '...leading to higher profits'. It is this second advantage that allows the candidate to score all 3 marks. When candidates provide two developed advantages - it is the highest scoring one which counts towards the final mark.

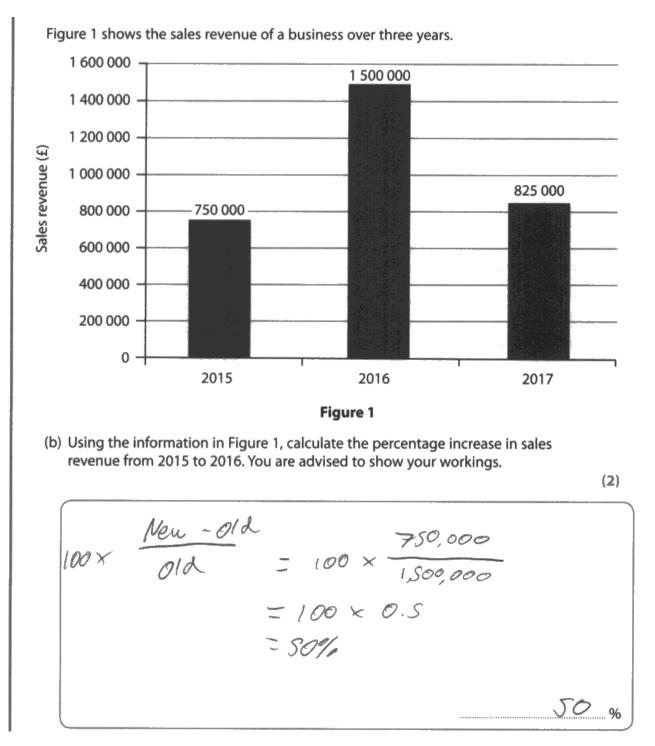
3 marks were eventually awarded.



Why consider **two** separate advantages when the question asks for **one**? This is another reason why candidates run out of time.

#### Question 3 (b)

This should have been a straightforward question, but so many candidates thought that a doubling of a number was a '50%' rather than '100%' increase. Again, centres are encouraged to practise quantitative questions since there will always be 4 'Calculate' questions on each paper.



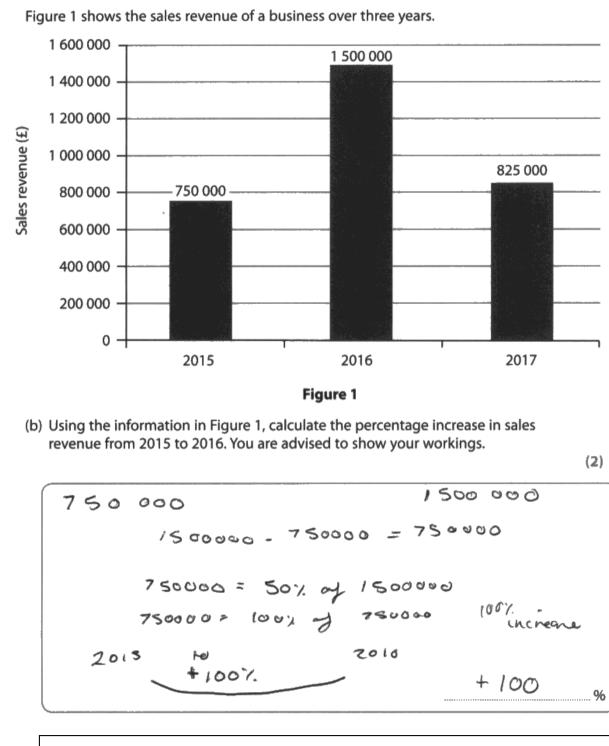


This response was a very typical answer to this question. Sadly, there are no knowledge marks allocated to 'Calculate' questions so no marks can be given for the correct formula. The candidate then goes on and inserts the incorrect numbers into the correct formula. Therefore, both the answer and the workings are now incorrect.

**0 marks** were awarded.



Practise these types of questions. There will always be 4 'Calculate' questions on each paper. Once you have practised you should be able to score an easy 8 marks.





This was a straightforward 2 mark answer. The correct answer is on the answer line, so examiners do not even have to look at the workings.

2 marks were awarded.

### Question 3 (c)

This question caused significant problems. The question requires candidates to 'Explain **one method**...' The word 'method' is different to a 'benefit' or 'drawback' since candidates are being asked to explain a 'process'. Thus, most candidates struggled to do this and drifted into the benefits of differentiation to the business. Most candidates scored 1 mark for this question, but only a small minority scored 3 marks due to this problem. Centres are advised to practice 'Explain **one method/way** questions' since they will appear on future exam series.

<ul> <li>(c) Explain <b>one</b> method a business could use to differentiate its product.</li> <li>(3)</li> </ul>
(3)
Differentiate is when a business will Make
the product different to its competition
because they want more customers and profit.
A business can dygerentiate a product
by usp, unque selling point. This accords
the business to make the product
increase the amount of
Beeckeer (USFOMER IN THE BUSINESS BECULIE
its add something better to the business.



This lengthy answer highlights the issue. The candidate starts their answer by offering a definition which scores 0 marks since the question is testing 'understanding' or 'AO1b' not 'rote Knowledge' or 'AO1a'. The first mark is scored through '*...by a USP, a unique selling point.*' There is then some repetition before the candidate drifts into the benefits to the business.

This response scored **1 mark**.



**Explain one 'method/way' questions require a different approach**. Avoid the temptation to drift into a benefit/drawback to the business.

(c) Explain one method a business could use to differentiate its product. (3)disterentate product 11 COL also CΟ expersic DUU ncome peren BNAUCO



This answer, by contrast, does answer the question since the process of differentiation is explained by the candidate. The method is identified through '...package it in a different way'. This is developed through '...this means that it is unique' and then further development is given through '...could catch a customers eye'. The candidate then offers a second method, but the explanation of this method quickly drifts off into the benefits to the business.

This first part of this response allowed the candidate to score **3 marks**.

### Question 3 (d)

This question was similar to the previous question in that candidates were expected to 'Explain **one barrier**' to communication, rather than explain the benefit/drawback to the business of having barriers to communication - which is what most answers ended up doing. Equally, examiners had to make judgement calls about what barriers to communication they were going to allow, since candidates came up with some outlandish barriers e.g. 'tripping over so could not pick up the phone' and 'the electricity was cut off'.

Thus, most candidates scored 1 or 2 marks on this question but struggled to achieve the full three marks.

(d) Explain <b>one</b> possible barrier to effective communication within a business.	(3)
Language across a Multinational corpa comp	
Can create a barrier between within business. This would require translators	and
Eechnology to overcane	



This response highlights a barrier '*language across a multinational company*'. However, the candidate then goes on to offer a solution to the problem which deviates away from what the question was asking.

Therefore, only **1 mark** was awarded.

(d) Expla	in <b>one</b> possible barrier to effective communication within a business.	
	(3)	
Having	a stat organisational structure. This type has	14
saster	communication because there are jess levels to pass	
messages	down however each line manager has more	
people	to communicate with there sore it is harder to	
pass	messages onto everyone.	



This candidate highlights a valid barrier to effective communication through '*having a flat organisational structure*'. This is then developed through '*...however each line manager has more people to communicate with*' which is then further developed through '*...therefore it is harder to pass on messages to everyone*'.

This response scored **3 marks**.



Notice how this candidate starts to drift into the benefit of having a flat organisational structure. Try and stay focused on the question and do not add anything into your answer which is unnecessary. It does not score any marks and wastes time.

#### Question 3 (e)

This question tests 'AO1b' or 'Understanding' **and** 'AO3a' or 'Analysis'. Examiners are instructed to make a level judgement **separately** on each 'AO' or 'Assessment Objective' and then take a 'line of best fit' to arrive at the final level and mark.

If a candidate shows a very limited understanding of what 'permanent contracts' are, they will be awarded Level 1 for AO1b. If there is some clearer, implied, understanding they will be awarded Level 2. If there is a robust and clear understanding they will be awarded Level 3 for this 'AO'.

A separate judgement is then made regarding 'AO3a' or 'Analysis'. To reach Level 2 the candidate has to make 1/2 points with 2 linked strands of development. To reach Level 3, there must be 1/2 points with at least 5 linked strands of development.

By points - I mean whatever the questions ask - in this case 'impacts' which of course can either be 'positive' or 'negative'.

Once the examiner has made their decision regarding the level for 'AO1b' and 'AO3a', a 'line of best fit' will be taken by the examiner to arrive at the final judgement of level and mark.

This proved to be a highly testing question, with very few candidates really knowing what was meant by a 'permanent contract'. Thus, the mean mark ended up being close to half marks.

(e) Discuss the impact on a business of giving employees permanent contracts.	(6)
Que impact could be mat it makes start fell more	Valued <sup>0</sup>
Que impact could be mar it more start fell more meaning that they will be more motivated meaning that will work more effectively meaning that production will improve which suggest that more work will be dore	t they aty
will improve twhich suggest that more work will be done and at a higher quality.	faster



This candidate has been incorrectly advised. The linked strands do not start until a point - in this case an 'impact' has been stated. The impact in this response is *'make staff feel more valued'*. Examiners are then instructed to count the valid linked strands that emanate from this point/impact in order to make their judgement on 'AO3a' or 'Analysis'. In this case, there are 4 linked strands that follow on from the first impact - allowing Level 2 to be awarded for 'AO3a' or 'Analysis'. Note that the candidate has double counted some of the linked strands or has certainly tried to incorrectly influence the examiners judgement.

However, this is only half the story - a second, separate judgement now has to be made on 'Understanding' or 'AO1b'. In this case there is nothing in this answer to show that 'permanent contracts' has been understood so a Level 0 judgement is made. Thus, Level 0 for 'AO1b' with Level 2 for 'AO3a' means the answer, overall, lies somewhere in Level 1 - which is why 2 marks were awarded.

This response scored **2 marks**.

(e) Discuss the impact on a business of giving employees permanent contracts.

An employee on a permonment contract
may be more morivated then treezonce
evorkes as the pusiness actually works
them. As a result, productivity is likely
to be increased leading to increased
sales (it soles representive) and potentionly
higher protit.
Giving an employee a permonment
contract is likely to be male expensive
than the lonce morkers due to training or
sick poy ac oreast preded especially it
they ofent contributing much. As a
resuir, protit likely to be reduced in
the short - term decleasing role of
expansion and potential market share decreasing
protit.



As a contrast, this answer is better than the previous one. The candidate has chosen to make two separate points, which is advisable - since it prevents deviation off the question. Remember, examiners will only consider the best first and/or second points. If a third or fourth point is mentioned and developed, examiners will only mark the best two and it is these that will count toward the final judgement of levels.

In this case the first point or impact is '...more motivated than freelance workers' which is developed through '...because the business actually wants them' which is then further developed through '...productivity is likely to be increased' which is developed through '...leading to increased sales'.

In the second paragraph, the second point/impact is stated through '...more expensive than freelance workers', which is developed through '...due to training or sick pay', which is then further developed through '...as a result profit is likely to decrease'.

Thus, we have five linked strands from 2 stated points/impacts - so the response was awarded Level 3 for 'AO3a' or 'Analysis'. We also have a clear understanding of 'permanent contracts' as opposed to freelance/temporary ones - so another Level 3 judgement is made for 'AO1b' or 'Understanding'.

Thus, the line of 'best fit' takes us to Level 3 and 5/6 marks.

6 marks were awarded.



Remember, that 'impacts' can be both positive or negative. In this case, the word command word 'Discuss' does not require any evaluation at all - since it does not test the 'AO3b' assessment objective of 'Evaluation'.

#### Question 4 (a)

In Section B, all of the questions now require 'Application' or 'AO2' - hence this is why there is a casestudy to help candidates think about this skill at the start of the section. 'Outline' questions are marked in exactly the same way as before under the old specification - they require a point - in this case a method, to score 1 mark. To score 2 marks, there has to be development of the method and the existence of application somewhere within the response. Unsurprisingly, most answers scored 1 mark.

(a) Outline one method Mind Candy could use to extend the product life cycle of one of its games. (2) ٨ r Oc



This candidate has provided a method '*price penetration*' and there is some development of the method in allowing the product life cycle to be extended through '*...draw in new customers*'. However, there is no application in the answer and the response is generic.

Thus, 1 mark was awarded.



Use the case study to add application - that is what it is there for. Note that words contained in the question do not count eg 'games'.

ſ	Revocad / package / new mainets. exension strategies.	1
4	(a) Outline <b>one</b> method <i>Mind Candy</i> could use to extend the product life cycle of one of its games.	
	(2)	
	Mind candy could indego a new maneting	
	Strategy to target different marnere. In thead of young	
	kenoges, Mind & Candy card UR Petlandia and target	
	0) der teonoges and younger adults (20-29) Br example.	
	D Increase polential astomer base.	



This response offers a method '...undergo a new marketing strategy to target a different market' and there is development of this method through '...instead of young teenagers Mind Candy could use Petlandia to target older teenagers'. The application comes in two places through 'teenagers' or 'Petlandia'. Note that 'Mind Candy' does not count as 'Application' since it is repeated in the question.

Thus, the response scored **2 marks**.

#### Question 4 (b)

This 'Analyse' question tests two 'Assessment Objectives' or 'AOs', namely 'AO2' or 'Application' and 'AO3a' or 'Analysis'. Thus, to be successful, candidates need to demonstrate both of these skills within their answer.

Examiners will make a separate judgement on 'AO2' and if there is application throughout the answer, that is associated with valid analysis, then a candidate would score Level 3 for this Assessment Objective.

Equally, examiners are also looking for 5 linked, accurate, strands of development emanating from the 1 or 2 points (which in this case are impacts). If they see this, then a Level 3 judgement will also be made for this Assessment Objective as well.

To reach their final mark, examiners will take a 'line of best fit' across the two 'AO' levels that have been adjudged by the examiner.

# Note that a generic answer that has no context/application, whatsoever, cannot score above 3 marks.

(b) Analyse the impact on Mind Candy of reducing the size of its workforce. (6) of Mind Cardy reducing will have to fing less mages, this is herefittal hages are the largest cost in a Suzzess SO is wh allow the win the also lead to more Which Carly reducing its noteford Anothe Act 3 2) work and create Mon evenue products this will made and therefore less anot made



This response makes two separate points (impacts) in the two paragraphs generated by the candidate which is indicative of good exam technique. There are at least five linked strands that are generated from these two points (impacts) collectively over the two paragraphs which allows an 'AO3a' or 'Analysis' of Level 3 to be awarded. There was a degree of examiner discretion allowed since it is not naturally obvious that rising productivity will occur - and that this would lead to higher revenues.

However, the response is totally generic - there is no evidence of 'Application' or 'AO2' at all - thus the candidate scores Level 0 for this Assessment Objective. After a debate regarding how many accurate linked strands existed in this answer - it was decided that there were 'just' about five - many examiners argued that there were less.

As a result, the candidate can only just score **3 marks**. Several examiners argued that this answer was only worthy of 2 marks.



Recognise what 'Assessment Objectives' each command word is designed to test this one tests 'AO2' or 'Application' and 'AO3a' or 'Analysis' - unless there is evidence of both of these skills within your response - your scoring potential will be limited. (b) Analyse the impact on *Mind Candy* of reducing the size of its workforce.

(6) hene AMA Plon 10 ej



This response looks like one solid block of text - the candidate could have made their answer more readable by inserting a paragraph break before the word '*However*'.

Considering this question asks for an analysis of an 'impact' - the candidate has the ability to consider both positive and negative impacts (points) within their response.

In the first paragraph, the candidate makes a point (impact) through '...ideas can be be communicated much quicker'. There are then three linked strands developed from that point.

In the second paragraph, (although not made clear) there is a point (impact) through '*...the smaller workforce could struggle to come up with new ideas*' and then there are a further three linked strands that emanate from that point.

Thus, the candidate has managed to generate the required 5 linked strands over 1 or 2 points (impacts) to allow a Level 3 judgement to be made for 'AO3a' or 'Analysis'.

Regarding 'Application' or 'AO2', there was sufficient contextualisation throughout through the use of 'games', 'play' and 'playing' - again allowing a Level 3 judgement to be made for this 'Assessment Objective' as well.

With two Level 3s - a score of **6 marks** was awarded.



Make use of paragraph breaks to improve the readability of your answer.

### Question 5 (a)

As in previous 'Calculate' questions, the secret to success was to have learnt the relevant formula. Most candidates scored either 0 or 2 marks depending on whether this had been done.

**5** Table 2 contains information about *Mind Candy's* performance in 2013.

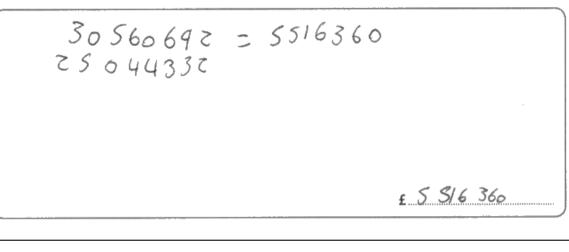
Sales revenue	£30 560 692
Gross profit	£22 190 385
Other operating expenses and interest	£25 044 332

(Source: adapted from https://beta.companieshouse.gov.uk/ company/05119483/filing-history)

#### Table 2

(a) Using the information in Table 2, calculate *Mind Candy's* cost of sales. You are advised to show your workings.

(2)





The candidate has subtracted the wrong costs from the sales revenue because they did not learn/remember the formula.

**0 marks** were awarded.

#### 5 Table 2 contains information about *Mind Candy's* performance in 2013.

Sales revenue	£30 560 692
Gross profit	£22 190 385
Other operating expenses and interest	£25 044 332

(Source: adapted from https://beta.companieshouse.gov.uk/ company/05119483/filing-history)

#### Table 2

(a) Using the information in Table 2, calculate *Mind Candy's* cost of sales. You are advised to show your workings.

(2)

30,550,692-22,190,385=8,370,307 £ \$70307



This candidate has given a correct answer on the answer line and has scored a straightforward 2 marks.

2 marks were awarded.

### Question 5 (b)

Once again, this was another 'Calculate' question using one of the formulae which are clearly highlighted in the specification. As before, candidates were separated into two piles, those that did know the formulae and those that did not.

This question used real world figures and as a result candidates were asked to give their answer to two decimal places. If this was not done, but the question was essentially correct, candidates were awarded 1 mark.

(b) Using the information in Table 2, calculate, to 2 decimal places, Mind Candy's gross profit margin. You are advised to show your workings. (2) Gross profit margin = <u>Gross profit</u> × 100 <u>4</u> <u>22190385</u> × 100 = 72.61087216 <u>30566692</u> × 100 = 72.61087216 <u>72.6%</u>



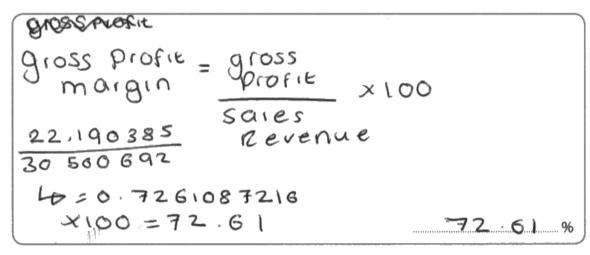
This response was essentially correct and should have scored 2 marks, but the candidate did not give their answer to two decimal places, as specified in the question.

Thus, **1 mark** was awarded.



All questions in GCSE Business that use real world figures will require you to give your answer to two decimal places. Just write down the first two numbers after the decimal point. All of the questions will be chosen to ensure that no rounding will be required. (b) Using the information in Table 2, calculate, to 2 decimal places, *Mind Candy's* gross profit margin. You are advised to show your workings.

(2)





The candidate has given the correct answer to two decimal places, with the response on the answer line.

Thus, a straightforward 2 marks were awarded.



Always place your answer on the answer line. If you give two answers - the examiner can then decide which one is your final answer.

### Question 5 (c)

This is the second 'Analyse' question in the exam paper and it is marked in exactly the same way as the first. Examiners are looking to make a judgement regarding 'AO2' or 'Application' and then a separate judgement regarding 'AO3a' or 'Analysis'. The final mark is derived from a line of best fit across the two levels for each of the two 'Assessment Objectives'.

This question was statistically harder than the previous 'Analyse' question and a sizeable minority of candidates struggled to generate any meaningful content. The best answers focused on the need to conserve cash and cut costs as a result of *Mind Candy's* decision to switch their objective from 'growth to survival'. Once again, candidates made it easier for themselves by considering two, rather than one point (impact) since it allowed them to keep their subsequent linked strands focused around the set question.

As a result of the problems it faced in 2013, <i>Mind Candy</i> changed its main business objective from growth to survival.		
(c) Analyse the impact on Mind Candy of changing its main business objective to survival.		
(6)		
This could be a positive impact because it could	,,	
encourage employees to work hurder. Leading to an increase	++	
in warmare		
	11	
This could be a negative inert impact because it could		
demonstrate employees Leading to a decrease in workmate and Morale.		
test Therefore pushing the business into deeper stress and putting	44	
its companies shead.	**	



The candidate has provided two paragraphs that contain two impacts which are the direct opposite of each other. It is possible that changing objectives could motivate employees and equally it is possible that it could de-motivate employees. Across the two impacts there are just about 3 valid linked strands of development that allow Level 2 to be awarded for 'Analysis' or 'AO3a'.

The answer is generic so Level 0 is awarded for 'Application' or 'AO2'.

Taking a line of best fit, with a Level 0 and a Level 2, means that the answer is in Level 1 overall.

This response was awarded **2 marks**.



It is probably easier to build five linked strands of development across two points (impacts) rather than one point (impact). If you decide to do this, make use of a paragraph structure to make your answer more readable.

As a result of the problems it faced in 2013, *Mind Candy* changed its main business objective from growth to survival.

(c) Analyse the impact on *Mind Candy* of changing its main business objective to survival.

(6) Changing survival objective would indesinitely Share down size 08 competitors Club <u>o</u>S ŧο 1Guin Survival ohi couse rfives osten in clude down sizing osle business 05 Mary and **reducine** Costs cause  $\sigma$ don't their Jones a the ular Voin Po gloru ኒ Sornel and Services tα ONG lau Slowly 6 die LIOU 055 ant older Mar Sorces games die 50 to (+e have the Petlandia to Sor Save Company closure. Srom



This candidate has made a point '...downsize their share of the market' and there are then 5 linked strands of analysis that are built from that point (impact), allowing Level 3 to be awarded for 'Analysis' or 'AO3a'. 'Application' or 'AO2' runs throughout the response e.g. 'Club Penguin', 'games', 'don't get updated' etc. and again Level 3 can be awarded.

With two Level 3s - the answer was adjudged to be in Level 3 overall.

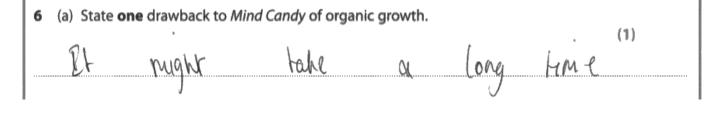
The response was awarded **6 marks**.

# Question 6 (a)

This question tests 'Application' or 'AO2'. Therefore, there has to be some evidence of application or context within the response for a candidate to score the mark on offer.

Unsurprisingly, many candidates did not do this and as a result this was not a well answered question.

Most candidates scored 0 marks, not because of the lack of context - but because they had limited understanding of the drawbacks of 'organic growth'.





This response scored 0 marks. Although organic growth can take '...a long time', there is no application present in the response which prevents the answer from scoring any marks.

**0 marks** were awarded.



When the name of a specific business appears in the question, in this case '*Mind Candy*', the response will require evidence of application to score full marks.

**6** (a) State **one** drawback to *Mind Candy* of <u>organic</u> growth.

developes is the very time consuming



By way of a contrast, this response does exactly the same as the previous response but highlights the skill the question was designed to test. The use of the phrase '...games developer' allows the response to show application, and together with '...time consuming' the answer can now score 1 mark.

1 mark was awarded.



The last two exemplars should show how easy it is to insert application into these kind of questions. 1 mark can still be achieved in very few words.

## Question 6 (b)

This question is the second 'Outline' question on the paper. Once again, candidates needed to identify a 'method' and provide one strand of development. Candidates also need to provide some evidence of 'Application' or 'AO2' to score the two marks on offer. Most candidates only gave a method and some development and the lack of any application resulted in only 1 mark being awarded.

(b) Outline **one** method *Mind Candy* could use to promote its new app. (2) They could use targeted activertising - this involves repeter customer's search history and promoting the product if it seems like they NOUD like it.



This response highlighted a method '*...targetted advertising*' and there is some development of this, but nothing relating it back to a games context. There was some debate about whether '*search history*' was enough, but this could relate to any online business. Thus, the response lacked application.

Therefore, **1 mark** was awarded.

(b) Outline **one** method *Mind Candy* could use to promote its new app.

Having et yourness to try their and This is because it will encourage them to may more moshi monsters with their friends as its on online game



This answer hopefully highlights the difference in context/application between the first exemplar and this one. This response gives a method through '*Having Youtubers to try their app*' which is developed through '*... it will encourage them to play more Moshi Monsters with their friends*'. Thus, we have a method and development with context which is clearly linked back to '*Mind Candy*'.

2 marks were awarded.



Always read through your answer at the end. Ask yourself 'Have I included context that goes beyond the words that exist in the question?'

(2)

## Question 6 (c)

The 'Justify' question is marked in the same way as the 'Analyse' question but an additional judgement is now also made for 'Evaluation' or 'AO3b'. Thus, the final mark is derived from a line of best fit from each of the three levels awarded for each of the three 'Assessment Objectives' the question is designed to test.

There is **NO** requirement for candidates to consider **BOTH** options in their answer. 9 marks are achieveable from the consideration of **ONE** option only.

This particular question, on sources of finance, was badly answered with candidates displaying a rather shaky and inaccurate understanding of 'retained profit' and 'share capital'. Thus, there were relatively few Level 3 answers amongst the cohort.

In order to raise the £1.2 million of extra finance needed, *Mind Candy* considered two options:

**Option 1:** retained profit

Option 2: share capital.

(c) Justify which one of these two options Mind Candy should choose.

(9) Mind Candy should use share capital in orde raise et will idea ne bring ch Decause as cash , to ensure Mosh does go into decline a QUÍC 0 Could 1 Rely cneit 04 andia Candy could also use retained because ° Ch ould prevent Ø andy own m  $\mathcal{O}$ lead the. Dusir tø esian ret exc and therefore nct De Mind Ca



This candidate has provided two paragraphs which consider the benefits of both of the two sources of finance.

The first paragraph considers share capital and a point is made about new shareholders bringing in new ideas which is valid. There is then 1 or possibly 2 linked strands that are built off this - but it is noticeable that the candidate is already starting to stray off the question.

The second paragraph considers retained profit and there is a point about not losing overall control of the business and again 1 or possibly 2 linked strands that are developed from it.

Thus, the answer has 4 linked strands, at best, so Level 2 can be awarded for 'AO3a' or 'Analysis'. There is also strong application throughout which allows Level 3 to be awarded for 'AO2' or 'Application'. However, there is no evidence of any 'Evaluation' or 'AO3b' at all - all we have is a consideration of the benefits of both of the two options.

To generate some evidence of 'Evaluation' or 'AO3b' - the candidate could have contrasted the two benefits and stated which benefit was more important. An easier route to 'Evaluation' or 'AO3b' could have been achieved by considering the drawbacks of one of the two options.

Thus, with a Level 3 for 'AO2', a Level 2 for 'AO3a' and a Level 0 for 'AO3b' - the overall level was Level 2.

The candidate was awarded **4 marks**.



You do not have to consider both options in a 'Justify' question. Just choose **ONE** option.

In order to raise the £1.2 million of extra finance needed, *Mind Candy* considered two options:

**Option 1:** retained profit

Option 2: share capital.

(c) Justify which one of these two options Mind Candy should choose.

think they should choose option I as they mont have to pay This means that they mont one anyone back. any money to anyone so can't go into debt. As a result, they mul more have is safe, so they secunty as the jinance mancial may Show Aress more and be able to produce better games DR loshi Monsters at to combo the extreme competitive market to make Sales However used up there it may not be ma enough as they made losses in 2013 due to bid falling minimal safes would be been made so less proite. and that they may have to games. neans MD. go to other Sources imance A much ran be time consuming As a result pusiness may not be able to pay M uto JUL 2 go into debt decreas ana produ So the business contel eent and failure Lis the real optim pest as needs be paid back so there no one t is better than optim .M No regarine ton nazn they the business mont MT61 when subure. Monene Shares SO retain oun Compony ran whether the the huge t 1.2 everyn to coner Mansters so less peen Mostre pigntz manty P. mould achiever

(9)



In this response the candidate has chosen option 1 and quickly builds five linked strands across paragraphs 1 and 2. There is plenty of application also provided throughout the response. There is also counterbalance starting in paragraph 2 and there is a conclusion in paragraph 3 that makes use of the 'it depends rule'.

Thus, this response was judged to be in Level 3 for 'AO2' or 'Application', 'AO3a' or 'Analysis' and 'AO3b' or 'Evaluation'.

With three Level 3s - the response was awarded **9 marks**.



This response shows that you can achieve 9 marks by only considering **ONE** option - it is more time efficient to do this. There is no need to consider both of the options.

### Question 7 (a)

This question is the only question in Sections B and C that does not require evidence of the skill of 'Application' or 'AO2'. The question appears due to the fact that there are an odd number of 'Knowledge' or 'AO1a' marks to be spread across the two examination papers - therefore we have an extra question that tests 'AO1a' in Paper 2. Note how this is highlighted though in the question structure. The command word is 'Give' and there is no reference to any specific business in the question.

This question tested specification content that was new and as a result it was badly answered by candidates. The 'sales process' is something specific and most candidates provided an inaccurate guess such as 'advertising', 'checkout' or 'placing it in a bag'.

Thus, the modal mark was 0.

(a) Give one stage of the sales process. (1)



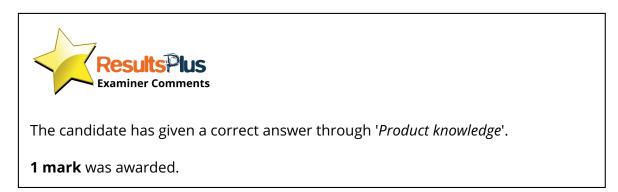
This answer was typical of the many encountered by examiners. The candidate has offered up a common-sense guess that scored 0 marks.

**0 marks** were awarded.



The sales process is a simple list of five stages. It requires simple rote learning by candidates.

(a) Give one stage of the sales process. 7 providing (1) ge product know redge by adding juinvale 10ge



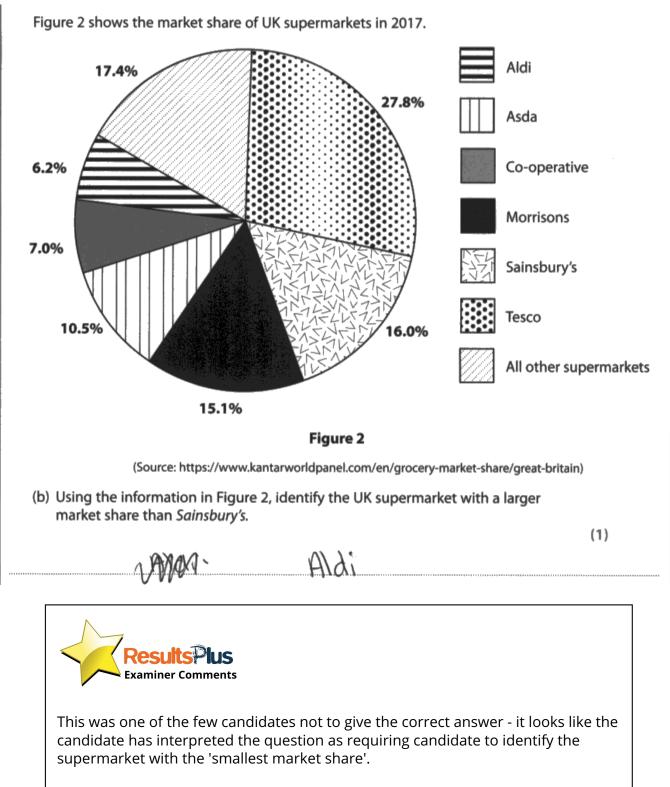


Note how there is no need to frame the response in the form of a sentence. The candidate would have scored 1 mark just through stating '*Product knowledge*'.

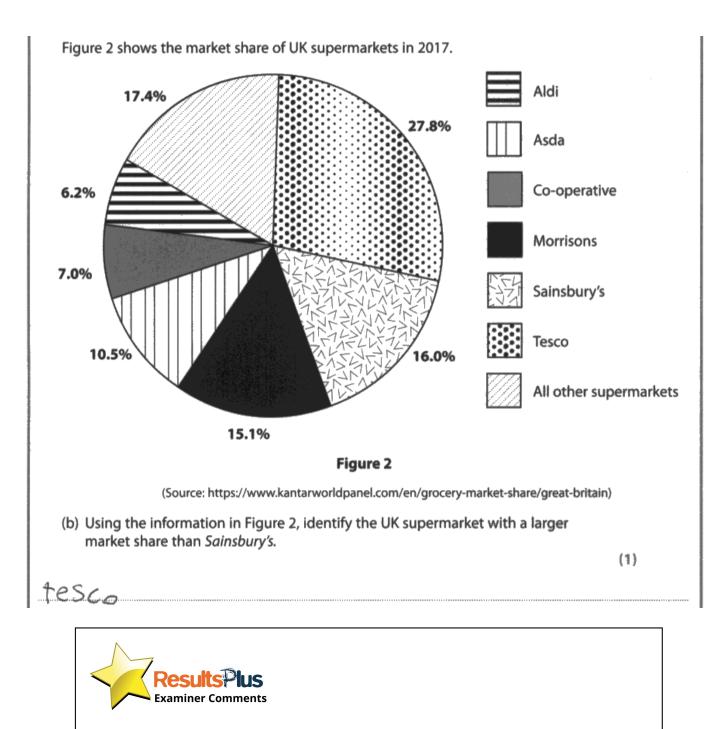
# Question 7 (b)

This question is the only 'Identify' question on the exam paper. 'Identify' questions require candidates to read off a graph or interpret a table. They test the skill of 'Application' or 'AO2' and as a result allow each examination paper to make up the 10% (9 marks) requirement for quantitative skills (8 marks from 4 x 2 mark 'Calculate' and 1 x 1 mark 'Identify').

This should have been a straightforward question, and it was, with 99% of candidates providing the correct answer of 'Tesco'.



0 marks were awarded.



This is all the examiner was looking for - a simple '*Tesco*' to score 1 mark.

1 mark was awarded.

# Question 7 (c)

This was the final 'Outline' question in the paper and once again it is marked in the same way as all of the previous ones. Examiners were looking for an advantage and then a linked strand that developed the advantage. To gain the second mark there had to be evidence of context/application and development.

Most candidates scored 1 mark in this question due to lack of context - which could have come from the simple inclusion of the words 'supermarket' or 'groceries'.

(c) Outline <b>one</b> advantage to Sainsbury's of improving its customer service.	
	(2)
One advantage to Sainsburger is a	Stomes
will return again as they are	happy
with how your treat them. This is	Jocal
because customer will leave good r	review.
because customer will leave good r about you leaving you with a bett	rel laporto



This response has an advantage '...customers will return' and development of that advantage through '...this is good because customers will leave good reviews'. The response still only scores 1 mark since the answer is generic and there is no evidence of application.

1 mark was awarded.



To provide application - think about the market the business operates in, or the products that it sells, or simply just use a word or phrase from the case-study. Remember, '*Sainsbury's*' does not count because it is included in the question.

(c) Outline **one** advantage to *Sainsbury's* of improving its customer service.

(2)

sainsbury's will gain more customers resulting in competitive advantage

over toxo Tesco



This answer illustrates really strong examination technique. The candidate has scored both marks with the minimum of fuss. We have the advantage '*Sainsbury's will gain more customers*' with development that incorporates context/application through '*...resulting in a competitive advantage over Tesco*'. '*Tesco*' adds the all important context.

2 marks were awarded.



This response illustrates how short a full mark response can be, once the command word '*Outline*' is understood.

# Question 7 (d)

This question was widely misinterpreted. The question was about which of the two options was most likely to improve the motivation of *Sainsbury's* shop floor employees.

Instead, many candidates turned the question into 'the benefits to *Sainsbury's* of having motivated workers'. Thus, this question had a large number of zero/low scoring answers because candidates were answering their own question - not the one that was actually set.

This 'Justify' question is marked in exactly the same way as Question 6(c). Examiners will make separate level judgements across the three 'Assessment Objectives' the question is designed to test and then a 'line of best fit' will be used to determine the final level and mark.

Just as before, there is no need for candidates to consider **BOTH** options - full marks can be achieved by considering the pros and cons of **ONE** option - so long as all of the three 'Assessment Objectives' are met.

In order to improve the motivation of its shop floor employees, *Sainsbury's* is considering two options:

#### **Option 1:** retraining

#### (Option 2: increase wages.)

(d) Justify which one of these two options Sainsbury's should choose.

(9) 2 unsburgs Should Chose option 22 Shax to parn harder will Work morei more Morey will mothation ere increasing increase ~ere producti herefire Increasing profit. ophion 15 picked, the Sta Wort 12 Motivation higher 20 Could have a This time. Means of flore be a Wast Samebury Lost have 45 money as Allowing bi Competitors not chive . Aldi higher profits. Therefore 40 Mala mg 1500 vis could latter Supermarkets malem other ook CUSTOMATS there fore reduce profit decreases. Minhe < U Choses It option they will Samsburg have brand image. This will increate improved Shoppers compared of number te) Asda. Re Sales. gaining more 1 here Mare prohe



The candidate has not answered the question - there is nothing in this answer that explains how increasing wages or retraining employees would lead to greater levels of motivation.

As a result, **0 marks** were awarded.



Make sure you read the question closely so that you understand precisely what the question requires you to do.

In order to improve the motivation of its shop floor employees, *Sainsbury's* is considering two options:

**Option 1:** retraining

Option 2: increase wages.

(d) Justify which one of these two options Sainsbury's should choose.

(9) A benefit of retraining staff is that they will feel more confident in their operations. As a result, they have higher self esteen as they make fewer can mistakes, which leads to increased motivation. Retaining them feel that the makes also business values they are being trained, which them Since could lend to turnover rates. However, thise tect staff already know what to do. be insignificant benefit of increasing wages that this is work harder. gives employees a incentitive to financial they will be more willing As a result, the to extra Mile" and be more motivated better to service and productivity. Increasing wages customer also decrease the wage difference with which May attract new highly-skille Sainsbury's instead work at to Htors. 01 Overall, Sainsbury's should choose retrain as this has the lower negative IMPACE # costs, but still provides workers with the ON to better meet the supermarket's Motivation expectations. However, the effective ness of this

approach does depend on the level of training employees already have, since overtraining staff think the business



This answer is the direct opposite of the first exemplar. The candidate is considering how motivation can be improved from using both of the options and there is plenty of application and linked strands across the first two paragraphs. There is also a conclusion that offers some extra 'Evaluation' to that which was provided at the end of paragraph 1. This conclusion also makes use of the 'it depends rule'.

Thus, this response has 5 linked strands of valid analysis, application throughout and rigorous evaluation. Therefore, the answer was adjudged to be in Level 3 for each of the three 'Assessment Objectives' of 'Application', 'Analysis' and 'Evaluation'.

9 marks were awarded.

#### Question 7 (e)

This question is marked in exactly the same way as the 'Justify' question. The only difference is that a fourth 'Assessment Objective' is now also being considered, namely 'AO1b' or 'Understanding'. Thus, examiners have to make four separate judgements regarding each response and then take a 'line of best fit' to arrive at the final level and mark.

There was limited evidence that candidates ran short of time on this question and the quality of answers was generally good.

Most candidates recognised that abandoning Fairtrade would allow *Sainsbury's* to reduce costs and offer lower prices to compete with the likes of Aldi and Lidl. Counterbalance came in the form of 'pressure groups' and alienating ethical consumers. There were some skillfully constructed conclusions that considered the degree to which *Sainsbury's* customers would care or the percentage of grocery products in a *Sainsbury's* supermarket that were Fairtrade in the first place. Thus, despite being a 12 mark question, most candidates appeared to find this question reasonably accessible.

A small proportion of candidates decided to re-write the case study - this is never going to allow a candidate to score any marks outside of Level 1.

(e) Evaluate the likely impact on Sainsbury's of replacing Fairtrade with its own Fairly Traded scheme. You should use the information provided as well as your knowledge of business. (12)th:5 Some Oine StoMers Gret (CN GUSED the KNOWing WNa4 eVer. neve · one. DOSF Deople CaVP QLOVY ње about cale Ga'l trade See the Carmer + u.'S 04 CON GUS:ON CME Pecple MEGHT Stop go to Places Jecte decrease FNDE



In this response, the candidate makes a point '...customers might get confused' and then builds three linked strands from this point. This allows the response to reach Level 2 for 'AO3a' or 'Analysis'. The is some understanding in this response so the response was adjudged to be in Level 1 for 'AO1b' or 'Understanding'. There is also a glimmer of Application through the use of the word 'farmer' so again this enabled another Level 1 judgement for 'AO2'. Sadly there is no evaluation so Level 0 was awarded for 'AO3b'.

Thus, with a Level 2, two Level 1s and a Level 0 - the response was placed in Level 1 overall and **3 marks** were awarded.

(e) Evaluate the likely impact on *Sainsbury's* of replacing Fairtrade with its own Fairly Traded scheme. You should use the information provided as well as your knowledge of business.

(12)Sains bungs amared ocalise ¢ out. stomos since 00 ander 01 Man 15 nz OID onvan  $\pi_0 m$ n also ma 0 03 07 MEDIO 0 no 20 07 0 057 2397 ans ceres  $\hat{n}$ NA SMO 5 0 ٥ 0.80 BSec S Mo amade 10 mers 00 men can sa 0 00.00 01 122207 FIMOR 00 00 09 5 mai maron 25 Q  $\mathcal{N}$ CM05 77.0 ate N 5 onces SON 105 Joennarl वे ence. SI s ar no

Su CQ V **DP** 5 Q 0 G



This was a very strong answer - it is clear that the candidate understands the question so Level 3 was awarded for 'AO1b'. There is use of application throughout all of the paragraphs so again, another Level 3 can be awarded for 'AO2'. There are at least 5 linked strands spread throughout the response, so again Level 3 can be awarded for 'AO3a'. Evaluation starts with the paragraph beginning with 'On the other hand...' and there is also a conclusion that makes use of the '*it depends rule*'.

With all 'Assessment Objectives' in Level 3, a 'line of best fit' results in Level 3 overall and **12 marks** were awarded.



Ensure that your conclusion does something more than just repeat what has already been mentioned elsewhere in your answer. This is what examiners are looking for in order to award Level 3 for 'Evaluation' or 'AO3b'.

#### **Paper Summary**

The feedback from this year's Examiners' Report is clear. To allow improved candidate performance, centres should instruct and guide candidates towards:

- Not repeating the question in the first line of their response it wastes time and allows no extra marks to be scored.
- Ensuring that formulae are learnt 'Calculate' questions are worth 8 marks per examination paper.
- Ensuring that 'linking words/terms' are used in answers, such as 'thus', 'therefore', because' or 'as a result' to create a firebreak between linked stands of development.
- Recognising the importance of including context in 'State' and 'Outline' questions as a way of scoring easy marks.
- Realising that 'Justify' questions do not require the consideration of both options.
- Recognising that all questions are marked according to the Asessment Objectives (AOs) that they are designed to test. A 'good answer' is not necessarily a 'good answer' unless it satisfies the Assessment Objectives (AOs) that are associated with the command word that was used.

### **Grade Boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx

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