



# **Examiners' Report June 2022**

**GCSE Business 1BS0 02**

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## Introduction

This was the fourth sitting of the new GCSE in Business, but essentially the second meaningful one after 2019, due to the Covid-19 pandemic. Again, entries rose compared to 2019 with approximately 55,000 students sitting this examination.

This report gives feedback on Paper 2 (1BS0\_02) 'Building a business'. **It should be used by centres as a critical document to enhance both teacher and student understanding of the core skills that are under test in each type of question.** Going forward, it should be used to fine-tune the approach taken by candidates in answering each style of question used within the examination.

Please note, I have deliberately made this report lengthy (apologies to those centres that photocopy this report), so that students have access to worked examples that can be used in the classroom to support future student performance. **Please do ensure it is used in the classroom, since the purpose of this report is that should not be hidden away for the exclusive use of teachers.**

Each question will have at least two worked exemplars which will highlight common mistakes and provide examples of high-scoring performance. Where appropriate, I have included 'Examiner Tips' on how candidate performance could be improved in future years.

I did an extensive sample of student responses at the start of this series, and on this paper approximately 16% of candidates failed to finish the paper and answer Question 7(e). This could be attributed to poor examination technique by over-answering 2 mark and 3 mark questions. Repeating the root of the question is often the main culprit, as well as the over-engineering of answers to low-tariff questions, where more linked strands are written than is necessary to score full marks.

Nevertheless, there will be **two** significant changes to the examination next year:

1. The source material for sections B and C will be in a separate booklet, requiring no flicking backwards and forwards by the candidate to access the source material.
2. The amount of time candidates will have to complete the examination will rise to 1 hour 45 minutes.

These changes have been the result of extensive teacher feedback and were really pushed for by the team here at Edexcel. I sincerely hope that all centres will find this a very useful development. This will allow candidates to operate at 1.16 minutes per mark, providing candidates with roughly 17% extra time per mark's worth of question.

## Question 1 (c)

This question was, on the whole, very well answered. The majority of students focused on motivation, staff retention and productivity as their benefit to the business and developed appropriate linked strands to support their stated benefit. A small proportion of students focused on the benefits to the individual employee and never brought their answer back around to highlight a benefit to the business. Sadly, as a result of not answering the question, these candidates scored zero marks.

(c) Explain **one** benefit to a business of allowing its employees to work flexible hours.

(3)

one benefit is that it allows employees to work around what time fits them. This means that employees would be able to come in at a set time and leave when need to.



The candidate could have turned this into a scoring response by linking what they wrote to a benefit to the business. As it stands, there is only a benefit to the employee and not the business.

This response scored 0 marks.



Candidates need to make sure they read the question closely. They need to answer the question stated, not their own interpretation of the question.

(c) Explain **one** benefit to a business of allowing its employees to work flexible hours.

(3)

one benefit of a business allowing its employees to work flexible hours is that it may improve an employees motivation <sup>moral</sup> and further improve how much the employee gets done



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Examiner Comments

Note, how much time is wasted by this candidate repeating the question in their answer. The candidate scored 1 mark for the benefit to the business ‘...improved motivation’ and then develops this with ‘...improve how much the employee gets done.’ (1 mark).

Thus, 2 marks were attained in total.



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Examiner Tip

Don’t repeat the question at the start of your answer. It does not score any marks, and wastes valuable time. This candidate could have started with ‘It improves motivation...’ and development could have come from there.

(c) Explain one benefit to a business of allowing its employees to work flexible hours.

(3)

Employees can may be more motivated because they have the freedom to take time off to take part in things outside of work. This means that they can will have a positive attitude towards the business of whom is allowing this freedom thus may be more productive as they are motivated to help the business ~~that~~ <sup>by</sup> working hard for them.



**ResultsPlus**  
Examiner Comments

This question starts with a benefit to the business 'Employees may be more motivated...' this is linked to '...because they have the freedom to take time off...' which is linked to '...This means they will have a positive attitude towards the business...' Thus, we have a business benefit and two linked, logical supporting strands. 3 marks. Note the use of connective words and phrases that act as a 'fire break' between the business benefit and each subsequent linked strand that explains the benefit.

## Question 1 (d)

This was again, another well answered question. Most candidates scored 3 marks. Most answers were focused on deliveries of stock arriving late, or inability to cope with a spike in demand. A small proportion of answers considered the inability of the business to purchase in bulk and the resulting increase in unit costs. Some students gave an 'advantage' rather than a 'disadvantage', which resulted in 0 marks.

(d) Explain **one** disadvantage to a business of using a just in time (JIT) system of stock control.

(3)

It is expensive for a company to have lots of stock in as they have to pay for the storage of their products. Also JIT means that there isn't always the right amount of stock as sometimes there's too much and sometimes there's too little so they run out.



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Examiners Comments

This was an answer where the candidate failed to read the question closely enough. They provided an 'advantage', as opposed to a 'disadvantage'. Hence, the candidate did not answer the question.

This response scored 0 marks.

(d) Explain **one** disadvantage to a business of using a just in time (JIT) system of stock control.

(3)

A disadvantage would be that there needs to be excellent communication between you and the supplier. If this isn't there, the company may order late, or the supplier may receive and dispatch the order late, this leads to the risk of the business running out of stock. Therefore, this could result in a halt in revenue until the new supplier arrives, delivery charges & surplus.



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Examiners Comments

We have the disadvantage to the business '...the supplier may receive and dispatch the order late...' This is then developed with '...this leads to the risk of the business running out of stock...' This is then further developed with '...could result in a loss in revenue...'

This response scored 3 marks.

## Question 2 (c)

In 'calculate' questions no marks are given for the formula, since the question tests AO2 (Application). If the correct answer is seen on the answer line, it's automatically 2 marks. Thus, most candidates scored either 0 or 2 marks.

(c) Using the information in Table 1, calculate the average rate of return.

(2)

$$\frac{200000}{200000} = 1$$

..... 1 %



The answer is wrong and the workings were not correct since the candidate had not multiplied '1' by 100.

The response was awarded 0 marks.

(c) Using the information in Table 1, calculate the average rate of return.

(2)

$$\frac{200,000}{200,000} = 1 \times 100 = 100\%$$

.....100.....%



Nothing wrong with this response. The candidate gave the correct answer of '100' on the answer line.

2 marks were awarded.



If the answer is correct on the answer line, the examiner will automatically give 2 marks. The workings are only ever looked at if the answer on the answer line is incorrect. Thus, very few students ever get 1 mark. This only happens when the workings are right, but the answer on the answer line is wrong.

## Question 2 (d)

This once again, was very well answered. Most candidates linked 'motivated employees' to improvements in customer service or productivity, considering no context was provided for this question. Thus, the benefit in productivity could result from improvements in revenue or lower unit costs. Both were deemed an acceptable route to full marks, if enough logical linked strands of explanation were provided by the candidate.

(d) Explain **one** advantage to a business of having motivated employees.

(3)

One advantage is that the employees will be more productive and efficient. This will increase the business's outputs.



The first mark came from the statement of the advantage '...more productive and efficient...' and the second mark came from '...increase in business outputs'. There are not enough linked strands to award full marks.

This response scored 2 marks.



Candidates should use their fingers to count if they have given enough linked strands of development. It would have been easy for this candidate to add on at the end of their response '...therefore the business will have more items to sell'. That would have elevated the response to 3 marks.

(d) Explain **one** advantage to a business of having motivated employees.

(3)

one advantage would be that having motivated employees may lead ~~the~~ the business to gain customers. This means customers will feel welcome and get the help they need. ~~around the by instead~~ This will lead to higher sales and gain customer loyalty.



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Examiner Comments

The advantage is stated at the end, rather than at the beginning. Thus, '...gain customers...' This is developed through '...customers feel more welcome...' which is then further developed through '...higher sales...' Therefore, the advantage to the business is at the end of the response.

This response scored 3 marks.



**ResultsPlus**  
Examiner Tip

Sometimes candidates end up finishing with the benefit within a response, rather than stating it at the beginning. That is a perfectly acceptable approach in all 'Explain' style questions.

## Question 2 (e)

This question was not quite so well answered, compared to the other 'explain' style questions. Notice how the question is now phrased using the word 'impact'. Impacts can be positive or negative. This gives candidates more scope in their ability to answer the question. Most candidates focused on the negative and generated responses that focused on rising costs of exporting and the resultant higher price and then the lower level of sales. Some candidates thought that a tariff would delay an export. These candidates were not given any credit.

(e) Explain **one** impact on a business if tariffs are placed on its exports.

(3)

One impact would be that the exports, which is where ~~things~~ products or raw materials leave the business (come out from the business) will be delayed. This will lead to customers unhappy with delivery and would want there money back or a refund.



The candidate does not know what a tariff is.

This response scored 0 marks.

(e) Explain **one** impact on a business if tariffs are placed on its exports.

(3)

Tariffs may be bad because they put prices to distribute your product to other places. Therefore, product prices may need to be increased. As a result you may lose customers.



**ResultsPlus**  
Examiner Comments

The first sentence of this response does not make any sense. The second sentence does '...prices may need to be increased...' That was then developed through '...you may lose customers.'

2 marks were awarded.

### Question 3 (b)

This was another 'calculate' question. Again, the same principles apply. If the correct answer is seen on the answer line, the candidate automatically receives 2 marks. The only way 1 mark can be generated is if the candidate does not give the correct answer on the answer line, but provides the correct workings. There are no marks for providing the formulae. Note, this question tested generic quantitative skills as laid out on page 31 of the specification.

(b) Using the information in Figure 2, calculate the average sales revenue for this business in 2020. You are advised to show your workings.

(2)

$$90k + 30k + 70k + 10k = 200k$$

£ 200 000



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Examiners Comments

The candidate failed to provide the correct answer on the answer line, so then the workings were looked at. The workings were incorrect because the candidate did not divide by 4.

Thus, 0 marks were awarded.

(b) Using the information in Figure 2, calculate the average sales revenue for this business in 2020. You are advised to show your workings.

(2)

£ 50 000



**ResultsPlus**  
Examiner Comments

The candidate gave the correct answer. It did not matter that no workings were provided.

2 marks were awarded.



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Examiner Tip

There will always be quantitative questions in the exam paper. They will appear in the same places every year. Thus, 10% of the exam paper's total marks can be attained by simply knowing how to answer these questions and learning the respective formulae. This should be an 'easy win' for candidates.

### Question 3 (c)

As students progress through Section A, the questioning becomes harder. This is due to the 'ramped' nature of the paper. Question 3c was the first 'Explain one **method** ...' question. A 'method' question requires a student to explain a **process**. Thus, those students who finished off their responses with '...this leads to an increase in revenue', for example, got no credit for that part of their response. Most students focused on businesses cutting down on plastic, reducing their carbon footprint and reducing CO<sub>2</sub>. Some students confused 'reducing environmental impact' with a business 'becoming more ethical'. Some of these responses were valid where becoming more ethical did reduce the environmental impact, but those students who developed an answer regarding Fairtrade/no testing on animals, for example, scored zero.

(c) Explain **one** method that a business could use to reduce its environmental impact.

(3)

They could start using recyclable packaging on their products. This may increase price however customers will want to pay more for a product that helps the environment.



'Recyclable packaging' is the method. The rest of the response does not explain the method, it develops a benefit to the business.

The response scored 1 mark.

(c) Explain **one** method that a business could use to reduce its environmental impact.

(3)

One way a business could reduce its environmental impact is by using less packaging. This leads to the business not having to pay less for the packaging (lowering the unit price per item, creating economy of scale), but also projects an eco-friendly brand image. Therefore, this could attract new clients to the business, increasing their market share.



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Examiner Comments

This response scored 1 mark for 'using less packaging'. The rest of the response does not explain the method, it develops a benefit to the business.

(c) Explain **one** method that a business could use to reduce its environmental impact.

(3)

One method would be to buy materials and purchasing from more local suppliers. This would cause less travel between suppliers and the business, which reduced carbon emissions of the travel, leading to less pollution and therefore less environmental impact.



The candidate has explained how the environmental impact of a business could be reduced. The method is '...buy materials from local suppliers...' this is linked to '...reduced carbon emissions...' which is linked to '...less pollution...'

This response scored 3 marks.



Candidates need to watch out for the subtle change in questioning. Simply tagging on 'leads to more sales and therefore more profit' to the end of an answer will not work on certain types of question.

### Question 3 (d)

Most responses focused on extension strategies such as advertising, special offers, changing the product, moving the product to a new market.

Again, students who simply tagged 'increasing revenue and therefore increasing profit' on to the end of their answers to this question received no credit for that part of their response, since this was not part of the process of elongating the product life cycle of a given product. However, 'increasing sales' was allowed as part of the explanation process. Most students scored 2 marks in this question. Candidates that confused 'extending the life cycle of a product' with making the product 'more durable' so that it did not break scored 0 marks.

(d) Explain **one** method that a business could use to extend the life cycle of one of its products.

(3)

A business could use different types of their products, for example a different flavour, and this would extend the life cycle of their products because customers are more attracted to the new flavour, and buying it, which therefore leads to more profit and an extended life cycle for the business. For example, Heinz Beans have extended their product for 26 years now, by introducing new flavours like barbecue and spicy, so that customers will continue buying their product and therefore extend the product life cycle.



This response is overly long and brings in an applied example to do with Heinz. There are no application marks to award since the questions in Section A are generic and test Knowledge and Analysis. Therefore, bringing in an applied example just wastes time. Thus, the final part of this answer adds nothing. The method is 'different types of flavour' which is an example of a product variant, which is then linked to 'customers are more attracted to buying it'.

The response scored 2 marks.

(d) Explain **one** method that a business could use to extend the life cycle of one of its products.

(3)

One method a business could use to extend the life of one of its products is rebranding by changing the image of a product. The business can re-advertise the rebranded product to increase customer demand which leads to greater number of sales.



This response is much shorter than the previous one. The method is '...rebranding...' which is linked to '...can re-advertise the re-branded product...' which is then further linked to '...greater number of sales'.

The response was awarded 3 marks.

### 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.

Most candidates displayed a shaky knowledge of retained profit, often confusing it with cash. Most answers centred around the fact that retained profit can be difficult to accumulate and the fact that it avoids the pitfalls of having to use external sources of finance such as bank loans and share capital.

(e) Discuss the impact on a company of using retained profit as a source of finance for expansion.

(6)

This would allow the company to fall into the organically grown business sector. Potentially making them more respected ~~within~~ within their market potentially attracting more customers.

This method would not reduce any other source of cash in the business thus allowing them to still ~~invest~~ buy required stocks and pay wages without difficulty. They also do not have to return this source of cash ~~with~~ which put less pressure on the business to return ~~to~~ sources of finance.



This was sadly typical of many answers. Examiners were left looking for something that was worth any kind of mark at all. The first paragraph has no rewardable content in it at all, since it has nothing to do with retained profit. The second paragraph only has rewardable content towards the end in 'They also do not have to return this source of cash...' and then the strand of development that follows essentially repeats the same point. Thus, we have a single point, so bottom Level 1 for AO3a and limited knowledge so bottom L1 for AO1b. As a result, the overall level was bottom Level 1.

1 mark was awarded.



Remember that an 'impact' can be either positive or negative. This gives you greater flexibility when creating your answer.

(e) Discuss the impact on a company of using retained profit as a source of finance for expansion.

(6)

A benefit of using retained profit would be that you don't pay it back. This is because you have already earned the money and are not borrowing it. Therefore, there is less risk of the business becoming in debt. Consequently, the investment can be seen as less risky, and thus as a viable option for expansion.

On the other hand, a ~~restricted~~ restriction of using retained profit is that you have to make a profit to be able to use it. Therefore smaller or start up businesses may not be able to use it as a source of finance. Consequently, they will not be able to fund their expansion investment without borrowing money. This may not be a viable option for the business.



This candidate has decided to consider one positive impact and one negative impact, in each of the two paragraphs. The first point (impact) is '...you don't need to pay it back...' then 3 linked strands are built off this. The second point (impact) is '...you have to make a profit to be able to use it...' which has two linked strands developed from it. Thus, the candidate can reach Level 3 for AO3a. For AO3a, it was felt that the candidate could have used more business terminology such as 'loan capital' within their answer, hence Level 2 was awarded. Using a line of best fit, Level 3 was the overall level.

5 marks were awarded.



To reach Level 3 in AO3a (Analysis), you require five logical linked strands spread out across either one or two points. Most students find it easier to develop two points, hence they often provide two paragraphs. They normally develop three linked strands off the first point and two linked strands off the second point. This is, perhaps, easier compared to trying to develop five linked strands off one, solitary point.

## Question 4 (a)

In Section B, all of the questions now require 'Application' or 'AO2' – hence this is why there is a case-study to help candidates think about this skill at the start of the section. 'Outline' questions are marked as follows – they require a point – in this case a drawback, to score 1 mark. To score 2 marks, there has to be development of the drawback and the existence of application somewhere within the response. Most candidates failed to qualify their answers around the specifics of 'batch production'. Thus, many answers scored 0 marks.

4 (a) Outline **one** drawback to *Greggs* of using batch production in its factories.

(2)

one drawback is that they may not be able to keep up with the demand leading to ~~lose~~ sales.



There is nothing specific about 'batch production' within this answer and the phrase '...may not be able to keep up with demand...' could apply to other forms of production as well.

0 marks were awarded.

4 (a) Outline **one** drawback to Greggs of using batch production in its factories.

(2)

One drawback to using batch production is that if the demand for a product suddenly increased they may struggle to make enough to provide for customers therefore flow production would be a better option



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Examiner Comments

This answer goes further than the previous response. It makes a comparison against 'flow production'. This enables it to score a mark. However, there is no evidence of application.

Thus, 1 mark was awarded.

4 (a) Outline **one** drawback to *Greggs* of using batch production in its factories.

(2)

A ~~drawback~~ drawback is that one mistake can ruin the whole batch of savoury snacks. This would lead to wastage as Greggs are unable to sell it to customers.



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Examiner Comments

This answer is specific enough to 'batch production' to allow it to score. It has development through 'This would lead to wastage...' and has application through 'savoury snacks'.

2 marks were awarded.



**ResultsPlus**  
Examiner Tip

To reach two marks in 'Outline' questions, you have to demonstrate 'Application' or 'AO2' somewhere within your answer. In this question, that could be as easy as stating 'sausage rolls' somewhere within your response.

## Question 4 (b)

The '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' looking for a range of different examples of context, spread throughout the response to reach level 3. 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.

This question proved to be accessible with most students focusing on improved efficiency/productivity or the ability to improve quality and consistency of the baked goods. A small proportion of candidates did not notice the word 'factories' in the question and wrote about technology in shops and improved communication between shops. These responses gained no credit.

(b) Analyse the impact on Greggs from increasing the use of technology in its factories.

(6)

one positive impact would be to produce more of its products. Therefore they're able to sell as much as possible across the UK high streets. This is good because they're in competition with Pret, Costa and more. This leads to more customers being happy with what Greggs provides, furthermore a wider audience can be reached such as vegans who can try their vegan sausage rolls. As a result Greggs can gain as much revenue as possible.



At first glance, this response looks okay, but closer scrutiny of it demonstrates that the candidate has drifted off the question. The question is about the impact of the use of technology in Greggs' factories. The candidate has started off with a point (impact) '...produce more of its products...' which is developed through '...able to sell as much as possible...' Then the rest of the response drifts off the question into the benefits of selling more. Note, that the application provided is in the part of the response which is not answering the question. As a result, it did not count. Therefore, Level 0 for Application (AO2) and Level 1 for Analysis (AO3) leading to Level 1 overall.

1 mark was awarded.

(b) Analyse the impact on *Greggs* from increasing the use of technology in its factories.

(6)

By increasing technology it can lead to some advantages and disadvantages.

Firstly, by increasing technology not only its expensive but ~~the~~ *Greggs* won't know if the technology is making the right type of food, so this leads to a loss of sales and waste of money.

On the other hand, its good as it can work faster than a human making food. So good flow production can lead to more sales due to the food being made quicker. So they can be able to cope with expansion, as it wants to ~~ex~~ open up 130 new stores so by using technology they can cope with this.



The first paragraph adds nothing and is a waste of valuable time. The second paragraph states a point (impact) '...its expensive...'. However, the development is unrealistic. The final paragraph states a point '...as it can work faster than a human...' and two logical strands of development are provided. Thus, the response has two points and two logical linked strands built off one of the points. This enables the response to access Level 2 on Analysis (AO3a). Application (AO2) is also in Level 2 since we have 'food' and '130 new stores'. Therefore, overall, the response was placed in Level 2.

4 marks were awarded.

(b) Analyse the impact on Greggs from increasing the use of technology in its factories.

(6)

One advantage of Greggs increasing the use of technology in its factories is an increase in productivity. By investing in new technology, the Greggs factories will become more efficient at making their goods like sausage rolls and pizza, which would increase the productivity of Greggs factories. The new technology would be designed to work better, increasing the output of the factories. This would lead to a decrease in costs, as less time is spent on making a product, meaning the factories can make more product in that time. This could lead to a reduction in prices of their items, whilst maintaining profit margins, making them more competitive than competitors like Pret a Manger and Starbucks.

One drawback of this new technology is its high costs. For Greggs, new technology would be a large investment, taking cash out of the business at a time of a 130 shop growth, which could mean Greggs would have to take out a loan to pay for the technology. This would mean that the business would have to pay interest on the loan, reducing increasing the costs and reducing the profit of Greggs.

(Total for Question 1 - 8 marks)



This answer was 'overkill'. The student reaches 5 linked strands in the first paragraph following the identification of the point (impact) '...an increase in productivity...'. This enables the student to reach Level 3 for Analysis (AO3a). There is also plenty of Application (AO2), through 'sausage rolls', 'pizza', 'Pret a Manger' and 'Starbucks'. Thus, Level 3 was also reached for Application (AO2) since there was a variety of terms used and they are spread throughout the response. Thus, Level 3 was awarded overall. The second paragraph was unnecessary.

6 marks were awarded.



To score Level 3 on 'Application' or 'AO2' there must be a wide variety of different application/contextualised words used and they must be spread out across the response.

## Question 5 (a)

Considering each paper must have 10% of the total marks devoted to quantitative skills, it was disappointing to see so many wrong answers, despite the Advanced Information. This should have been straightforward. A decision was made at standardisation to allow students to gain full marks if they wrote £655860 and did not include the final 000.

(a) Using the information in Table 2, calculate Greggs' gross profit.

(2)

$$1029347 - 373487 = 655860$$

£ 655860



**ResultsPlus**  
Examiner Comments

Examiners will look at the answer line first and if they see the correct answer they will not look at the workings.

A straightforward 2 mark answer.

(a) Using the information in Table 2, calculate *Greggs'* gross profit.

(2)

$$\cancel{1029} - 2 \quad 1029347 - 373487 = 655860$$
$$655860 \times 1000 = 655860000$$

£655860000



**ResultsPlus**  
Examiner Comments

This candidate has added the 000s.

2 marks were awarded.

## Question 5 (b)

This was a trickier 'Calculate' question since the answer had to be given to 2 decimal places. If the answer was correct but not given to 2 decimal places a mark of 1 was awarded. If candidates gave the simple answer of '8%' examiners were instructed to look at the workings to determine if they were correct since '8%' could also be arrived at using the incorrect figures in the table. If the answer given was '8%' with no workings or the incorrect workings 0 marks were awarded.

(b) Using the information in Table 2, calculate to 2 decimal places, *Greggs'* net profit margin.

(2)

$$82568 \div 1029347 = 0.08021 \text{ ~~8.021~~}$$

$$0.08021 \times 100 = 8.021$$

.....8.021.....%



The correct answer was given, but not to 2 decimal places.

1 mark was awarded.

(b) Using the information in Table 2, calculate to 2 decimal places, *Greggs'* net profit margin.

(2)

$$\frac{\text{Net Profit}}{\text{Sales Revenue}} \times 100 = \frac{82\,568}{1029\,347} \times 100 = 8.02$$

..... 8.02 %



The correct answer is given on the answer line to the right number of decimal places.

2 marks were awarded.



There is no need to write the formula in 'Calculate' questions. No credit will be given for this.

## Question 5 (c)

This was a real 'marmite' question with lots of zero-mark answers. Examiners were instructed to award 0 marks if there was nothing evident within the response to show that the candidate knew what 'logistics' were. Many candidates thought it was about improving quality, improving communication, or some bizarre mash-up of the words 'logic' and 'statistics'. Those candidates that did know that it was about the efficient delivery of raw materials and finished goods tended to score well, with only a lack of context sometimes preventing full marks from being awarded.

(c) Analyse the impact on *Greggs* from improving its logistics.

(6)

Greggs improving their logistics means that they're able to make correct decisions and increase their finance. As their logistics plans out everything that need to occur in order to gain sales resulting in profit increase. The logistics also allows for Greggs to have an insight on what's to come and what course of action should be taken.



**ResultsPlus**  
Examiner Comments

There is no understanding of 'logistics' in this response at all.

0 marks were awarded.

(c) Analyse the impact on Greggs from improving its logistics.

(6)

Since they would get their supplies on time, they can ~~plan this step~~ cope with the growth in demand and ~~pro~~ produce sell ~~sales~~ ~~whenever needed~~. This ~~means~~ the ~~customer~~ a large amount of sales. This can increase their ~~so~~ profits produced ~~and~~ which can then be used to ~~be~~ ~~reinvest~~ reinvest back into the business.



**ResultsPlus**  
Examiner Comments

The candidate does understand 'logistics' so it is a scoring response. The candidate makes a point (impact) with '...they would get their supplies on time...' This is followed by 4 linked strands of development. Thus, Level 2 can be reached for Analysis (AO3a). However, the answer is generic and there is no application at all. Thus, it's Level 0 for Application (AO2). The overall level for the response is Level 1.

2 marks were awarded.

(c) Analyse the impact on Greggs from improving its logistics. → ~~order~~ Origin to consumer  
(6)

One ~~impact on~~ positive impact on the public limited company is that they can gain a good reputation. This is because by improving their delivery service of sausage rolls and savory snacks, customers' needs will be met. This is because a good delivery service ensures convenience for the customer. As a result customers can leave good reviews and Greggs will have an ~~etc~~ advantage over competitors such as Pret a manger.

A <sup>negative</sup> ~~Another positive~~ impact is that they will have higher costs. This is because improving logistics could mean ~~can~~ getting more drivers to deliver vegan sausage rolls. This means that <sup>they have to</sup> ~~the business~~ pay more <sup>wages</sup> employees ~~BA~~ which could decrease their profit.

(Total for Question 5 = 10 marks)



There is a clear understanding of 'logistics'. Thus, the response is a scoring response. In the first paragraph, a point (impact) is made '...can gain a good reputation...' This is then followed with three linked strands of development. In the second paragraph, the candidate makes another point (impact) '...will have higher costs...'; this is then developed with two further linked strands of development. Thus, for Analysis (AO3a), the response can access Level 3. Application consists of 'sausage rolls', 'savory snacks', 'Pret a Manger' and 'vegan sausage rolls' and the application is present in each paragraph. So for Application (AO2) the response can also reach Level 3. Therefore, the overall level is Level 3.

6 marks were awarded.

## Question 6 (a)

This was the most accessible question on the paper. Candidates had to state a good that Greggs produces in its factories. Most candidates picked 'sausage rolls'. Some candidates provided unusual answers such as 'packaging for sausage rolls'. This was also awarded a mark. On questions like this, it is often best to keep it simple.

6 (a) State **one** good that *Greggs* produces in its factories.

(1)

One good is that the public limited company  
product is sausage rolls.



The term that scores the mark is 'sausage rolls', all of the remaining words are needless.

1 mark was awarded.

6 (a) State **one** good that *Greggs* produces in its factories.

(1)

Future Care



This is much more time efficient.

1 mark awarded for writing 5 letters.

## Question 6 (b)

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

Note that the question is about the benefit to Greggs, thus benefits to shareholders such as 'limited liability' were not awarded any marks. Most candidates focused on the ability to issue new shares to raise capital.

(b) Outline **one** benefit to Greggs of being a public limited company (plc).

(2)

One benefit is that Greggs can raise money quickly to fund projects such as opening 130 new shops. This is because Greggs can sell their ~~shares~~ shares on the stock market.



The candidate starts by being vague '...raise money quickly...' and there is then development with application through '...to fund projects such as opening 130 new stores...'. The final sentence adds clarity as to where the finance is coming from.

2 marks were awarded.

(b) Outline **one** benefit to Greggs of being a public limited company (plc).

(2)

One benefit is <sup>the based goods business can</sup> ~~they can~~ receive finance through shares. ~~As a result~~ they have an internal source of finance.



**ResultsPlus**  
Examiner Comments

The candidate does enough to gain 1 mark. A benefit is given '...receive finance through shares...' Then development is provided which is incorrect. There is no evidence of application anyway, so the response cannot be awarded anything more than 1 mark.

1 mark was awarded.

## Question 6 (c)

There appear to be ingrained misconceptions as to how to approach the 'Justify' question. A significant number of students simply developed the benefits of both options within their answer. This approach **does not** naturally lead to any 'Evaluation' or 'AO3b', unless the candidate starts to contrast the magnitude or importance of the two benefits. At GCSE level, this is a necessary skill that is tricky to master, and from this year's marking experience, it was seldom seen. As Chief Examiner I have no idea where this approach has come from, but it seems to be a piece of 'baked in' examination technique that some centres seem insistent on using. Sadly, this is to the significant detriment of the students. **Using this method across all 4 of the 'Justify' questions on both papers could cost a candidate 12 marks across the entire qualification.**

On the question of options, whilst there can never been one preferred approach, surely the safest and easiest route for candidates is to pick an option, and consider the pros and cons of that option, and then come to a conclusion that adds extra evaluation, rather than a repeat of what has already been written elsewhere in the answer. If this is done with application throughout and there are 5 linked strands of development – then 9 marks should be accessible to the candidate. Remember there is no requirement for candidates to consider both options as part of their response.

This particular question proved to be straightforward and accessible. The main problems tended to be lack of Evaluation (see above) and/or lack of Application.

In order to continue the growth in its sales, *Greggs* is considering two options:

**Option 1:** differentiate its product range → let the customers choose

**Option 2:** lower its prices.

(c) Justify which **one** of these two options *Greggs* should choose.

(9)

*Greggs* should choose option 1 as by differentiating its products the bakery company will attract more customers. By doing option 1 *Greggs* will then be able to ~~add~~ introduce a bigger range of products for the religious customers and more options for the vegan and vegetarian customers. Also by choosing option 1 they will attract more customers leading to an increase in ~~the~~ money that can then be used for further market research ~~of~~ on its competitors etc.



The candidate makes a choice (Option 1) and then states a point ‘...will attract more customers...’ There is then one strand of development. We then have a weak second point ‘...attract more customers leading to an increase in money...’ which has one strand of development. There is application through ‘vegan and vegetarian’. So, we have just about Level 2 for Analysis (AO3a) and Level 1 for Application (AO2). There is no Evaluation (AO3b) present so Level 0 for that assessment objective. Taking a line of best fit, overall that leads to the top of Level 1.

3 marks were awarded.

(c) Justify which **one** of these two options Greggs should choose.

(9)

Greggs may benefit from differentiating its product range as it gives Greggs a unique selling point. This is because differentiating + its products such as the vegan sausage roll gives customers a reason to buy from Greggs rather than another highstreet food retailer which sells similar products such as Costa. This ~~gives Greggs~~ ~~Greggs~~ ~~competitive advantage~~ ~~or~~ takes customers away from competitors such as Starbucks and Pret and gives them to Greggs resulting in higher revenues, profits and market share for Greggs, as well as competitive advantage over its main rivals of Costa and Starbucks.

However Greggs may benefit from lowering its prices of its baked goods

and other foods as it gives competitive advantage. This is because it benefits from penetration pricing over competitors. This leads to an increase in sales for Greggs and a decrease for rivals like Starbucks, resulting in higher market share for Greggs

(Total for Question 6 = 12 marks)

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Overall I believe Greggs should differentiate its ~~products~~ product range as it gives customers a reason to choose them over competitors like Costa. However it depends on whether or not differentiating its products such as the vegan sausage roll puts off existing customers that prefer the original. The most important factor that affected my decision was the increased market share over competitors like Pret allowing ~~to~~ Greggs to dictate prices in the market.

**TOTAL FOR SECTION B = 30 MARKS**



The candidate makes a choice (option 1) and then states a point (benefit) '...gives Greggs a unique selling point...' There are then between 4 and 5 strands of linked, logical development. The candidate then goes on to consider the benefits of the discarded option and this takes the overall linked strand count to well over five, allowing Analysis (AO3a) to reach Level 3. Application (AO2) is present throughout the response and a variety of terms are used across each of the three paragraphs, allowing Level 3 to be accessed for this skill. There is a conclusion, but the early part of the conclusion does not add anything. Evidence of Evaluation (AO3b) is given in '...it depends on whether or not differentiating its products such as the vegan sausage roll puts off existing customers...' This limited amount of Evaluation (AO3b) allowed the response to reach Level 1 for this skill.

Thus, with two Level 3s and a Level 1, the overall level for the response is low Level 3. This is a candidate who I strongly believe would have scored a higher mark if they had **NOT** taken the approach of focusing on the benefits of both of the two options.

7 marks were awarded in total.



Make sure that your conclusion brings something new to your answer. The conclusion should do more than just repeat what has already been written elsewhere in the response. Examiners normally use the conclusion as a way of deciding whether or not to award Level 3 for Evaluation (AO3b).

## Question 7 (a)

This proved to be a very difficult question to mark, due to the vast array of different answers. To score 1 mark the candidate had to explicitly state or imply that the business had stores or factories in more than one country. Thus, candidates that said 'selling in more than one country' or 'well known in more than one country' scored 0 marks.

7 (a) Define the term **multinational**.

(1)

when a business is shipping  
to different countries around the  
world.



There is nothing in this response that implies that the business has locations in multiple countries. This could be a business based in one country which simply exports to other countries.

0 marks were awarded.

7 (a) Define the term **multinational**.

(1)

Operating in over more than one country.



The critical phrases are 'operating in' and 'more than one country'. This answer implied locations in more than one country.

1 mark was awarded.

## Question 7 (c)

This is the final 'Outline' question on the paper. The common mistake made was to focus on the benefit to the customer, rather than JD Sports. Answers that focused on the customer became scoring responses, so long as they were brought back round to benefit the business e.g. greater convenience leads to people buying more. More often than not, candidates scored 1 mark, due to a lack of Application (AO2) within their response.

(c) Outline **one** benefit to *JD Sports* of having a website.

(2)

JD Sports having a website will be more convenient for customers because they can, in advance, pick out something they want before ~~having~~ having to ~~travel~~ travel to see in person.



This response does not answer the question. There is a benefit to the customer developed within this response, but no benefit to JD Sports.

0 marks were awarded.

(c) Outline **one** benefit to *JD Sports* of having a website.

The website allows customers to browse the catalogue of trainers which JD offers whilst a traditional brick and mortar store, resulting in more sales of trainers because of the high convenience for JD's customers. (2)



**ResultsPlus**  
Examiner Comments

This response starts out in a similar way to the previous response, but there are two differences. The first is that 'trainers' are mentioned which provides application and the second is that the development brings the response around to being a benefit to JD Sports through '... resulting in more sales...'

2 marks were awarded.

## Question 7 (d)

This is the second of the two 'Justify' questions. Again, this proved to be accessible to candidates. The same problems as Question 6c persisted though, with candidates tending to select a structure which limited their ability to generate sufficient Evaluation (AO3b) to reach Level 3 in this skill area. Again, choosing to consider the benefits of the chosen option and the benefits of the discarded option essentially turns the question into two separate analyse questions and does not naturally lead to Evaluation (AO3b). The only way Evaluation (AO3b) can be generated, using this approach, is if the candidate starts to contrast the relative scale or importance of the two benefits. Very few candidates who adopted this approach were able to demonstrate the ability to do this successfully. The same problem exists for candidates who look at the drawbacks of their chosen option and of the discarded option. Again, it does not naturally lead to Evaluation (AO3b). Equally, the benefits of the chosen option and the drawbacks of the discarded option, essentially just provides more support for the chosen option. Again, this makes Evaluation (AO3b) much harder to achieve from a candidate's perspective.

In this style of question, lack of Application (AO2) and/or Evaluation (AO3b) tend to be the main drag on student performance leading to a score of around 5-6 marks (assuming Analysis (AO3a) reaches Level 3).

(d) Justify which **one** of these two options *JD Sports* should choose.

(9)

I believe that option 2 would be better for *JD Sports* to improve its competitive advantage as it would be seen much more frequently. It will then become more widely known and seen more.

*JD Sports* would then also have the chance to sponsor something they believe in ~~quite~~ <sup>and want to be</sup> associated with. This may then open *JD Sports* to more customers and followers to increase popularity and sales overall.

It would be a positive impact on the business if a celebrity or a sport were to be associated with the brand as it will/would increase the popularity of the product.



The candidate makes a choice (option 2) and then states a point (benefit) '...be seen much more frequently...' There is then possibly one linked strand of development, although equally it could be argued that this is a re-written, paraphrased version of the stated benefit. In the second paragraph there is another point (benefit) '...chance to sponsor something they believe in...' with possibly two linked strands of development. We then have a third paragraph with another point (benefit) which has one strand of linked development. The two best points are in paragraphs 2 and 3. These give us possibly 3 linked strands of development when added together, allowing the candidate to reach Level 2 for Analysis (AO3a). There is arguably one piece of Application (AO2) in paragraph 3 through the use of 'sport' in isolation (note that 'JD Sports' would not be accepted since it is used in the question), so Level 1 can be achieved for this skill area. There is no Evaluation (AO3b) so Level 0 is awarded for this skill area. Overall, using a line of best fit, the answer falls in Level 1. After some deliberation between 2 and 3 marks, the feeling was there quite a few questionable linked strands and some repetition.

2 marks were awarded.

(d) Justify which **one** of these two options JD Sports should choose.

I think that JD Sports should choose Option 1 as social media is a very cheap form of promotion. It would also be effective as its target audience is 16-24 year olds, who are very active on social media. This would give JD Sports a competitive advantage against Sports Direct as they would be able to provide more communication between the business and customers. This may increase market share.

However, a disadvantage is that targeted advertisements would require market research. This would ~~increase~~ increase costs as it takes time to go and cash to gather information on its market of 16-24 year olds. If this market research is outdated or incorrect, ~~then~~, then JD Sports may lose customers to Sports Direct as customers would want ~~certain~~ certain brands like Nike may not receive them.

Overall, I think that JD Sports should choose Option 1 as a sponsorship would be less tailored to ~~a customers~~ customers' wants, who may skip or dislike ~~the sponsor~~. However, it depends on if JD Sports can gather up-to-date

- date and relevant market research for online advertising.

\* sponsors like Anthony Joshua



The candidate makes a choice (option 1) and then states a point (benefit) '...social media is a very cheap form of promotion...' The candidate then generated linked three clear linked strands that linked to competitive advantage. We then have a second point in paragraph 2 (disadvantage) with '...targeted advertisements would require market research...' and there are four further linked strands of development that come from this point. So, for Analysis (AO3a), there are more than five logical linked strands of development resulting in a clear Level 3. For Application (AO2) we have '16-24 year olds' and 'Sports Direct' in both paragraphs 1 and 2, with the addition of 'Nike' in paragraph 2 and 'Anthony Joshua' in paragraph 3. This is enough variety and consistency across the response to reach Level 3. For Evaluation (AO3b), we have evaluation in paragraph 2 and new evaluation in paragraph 3. However, we would have liked the 'it depends' rule to be developed a touch further. This skill area was awarded Level 2/3. Therefore, the overall level for the response was Level 3.

8 marks were awarded.



Do not think that simply mentioning 'it depends' in a conclusion automatically results in a high judgement for Evaluation (AO3b). You need to clearly develop this as part of your conclusion.

## Question 7 (e)

On the whole, this was a badly answered question. A sizeable minority of students failed to plan their time properly and as a result did not really start, only writing a few sentences or leaving the whole question blank. However, those that did write lengthy responses tended to use quite basic arguments. This prevented a higher judgment being made on Knowledge and Understanding (AO1b). Most candidates took a simplistic view of the takeover stating that adding extra shops would mean more revenue and profit, but costs would also increase since JD Sports now had 69 extra shops. Very few students tackled the issue of duplication and the potential for lower unit costs and the fact that the removal of a competitor could mean that the combined entity had the ability to charge higher prices. As a result, most answers were in the 5-8 mark range and failed to reach the upper echelons of the mark scheme.

It is worth pointing out that this question is designed to be testing, and alongside the 'Justify' questions, it provides an opportunity to help isolate Level 9 GCSE candidates.

- (e) Evaluate whether the takeover of Footasylum will allow JD Sports to increase its profit. You should use the information provided as well as your knowledge of business.

(12)

I think JD Sports could increase its profit from the takeover as one of its rivals is being taken away so customers of the shop foot asylum will be drawn to JD sports.



This was typical of a sizeable minority of answers. Just a few sentences were written. There is one valid point in this response through '...one of its rivals has been taken away...'. Level 1 for Knowledge and Understanding (AO1b), Level 0 for Application (AO2), Level 1 for Analysis (AO3a) and Level 0 for Evaluation (AO3b). Thus, the overall level is low Level 1.

1 mark was awarded.



Running out of time is normally a consequence of writing too much on earlier questions. So much time can be saved by trimming back answers to 2 and 3 mark questions by not repeating the question in the first line of a response and not providing more strands of development than are necessary.

- (e) Evaluate whether the takeover of Footasylum will allow *JD Sports* to increase its profit. You should use the information provided as well as your knowledge of business.

(12)

A takeover is when one business buys enough shares (over 50%) to own another business.

One benefit to *JD Sports* taking over its previous competitor, *Footasylum*, is they now have a greater market share of both the businesses. This means *JD* does not need to compete in price with *Footasylum* stores in similar locations. Therefore they can generate more revenue per sale, reducing their break even point and allowing them to increase profit.

However one downside to the multinational sports and fashion business if the take over is *Footasylum* was previously making a loss. This means *JD* would now have higher costs of operating. and therefore they would ~~have~~ make less overall profit due to the higher ~~more~~ total costs.

Overall there are more upsides to the takeover because they can control their prices due to the increased market share and also they can reduce competition.

On certain products the sports business sell meaning they will increase sales. However it depends upon if the takeover is viewed as hostile and negative which could lead to a worse brand reputation and would decrease customer numbers. ~~Over~~ In conclusion the takeover would increase overall profits and is beneficial for JP Sports.



In the second paragraph a point (benefit) is given '...now have a greater market share...' and four logical linked strands of development are built off it. In the third paragraph a point (drawback) is given through '...Footasylum was previously making a loss...' with two linked strands of development emanating from it. Thus, the candidate has already done enough to reach Level 3 on Analysis (AO3a). The conclusion starts with 'Overall' and the candidate then essentially repeats what has already been previously mentioned in the earlier part of the answer. Use is made of the 'it depends' rule, but it is weak, since most customers would not even know whether the takeover is hostile. This conclusion, together with paragraph 3, supported a Level 2 judgement for Evaluation (AO3b). Knowledge and Understanding was judged to be in Level 2 since some terms were appropriately used. For example, 'market share', 'break-even point', 'revenue per sale' and a clear understanding of the term 'takeover'. Application (AO2) occurred in all three of the main paragraphs with 'stores in similar locations', 'multinational sports and fashion business' and 'sports business'. This was adjudged to be just Level 3. Thus, using a line of best fit, the overall response was placed at the top of Level 2.

9 marks were awarded.

## 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 3 mark 'Explain **one**...' questions are not 'over-engineered'. 3 marks can be obtained in as few as three sentences.
- Recognising the difference between an 'Explain **one** benefit/drawback/impact...' question and an 'Explain **one** method...' question.
- 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 strands of development.
- Recognising the importance of including context/application in 'Outline...' questions as a way of scoring marks.
- Realising that 'Justify' questions do not require the consideration of both options, and that some structures can make it considerably harder to demonstrate the evaluative skill.
- Recognising that all questions are marked according to the Assessment 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:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

