

Examiners' Report/  
Principal Examiner Feedback

Summer 2014

GCSE Business Studies (5BS06)

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## **General comments**

The paper yet again allowed candidates to demonstrate effective knowledge and understanding from the content of the specification. Candidates are well prepared by centres for the paper and this is proved by the statistical information gained.

The questions will continue to require candidates to think carefully through all the options before selecting an answer even though only Assessment Objectives 1 and 2 are being tested.

As in all examination papers, the questions are produced to target the full range of abilities from A\* to G therefore some questions will need to be read very carefully.

Candidates have heeded the advice given in previous reports and there are very few questions that are not attempted by candidates. There are still some candidates who do not follow the instructions given when they change their mind and select a different response to their first one. By not following these instructions exactly they may risk not gaining the mark if one of the responses is correct.

A commentary of the performance of candidates for all questions is given below.

## **Specific Comments**

### **Question 1**

This question was an inviting question, with various options and candidates had to choose which one would be most suitable for a small business if they wished to have short-term finance. There appeared to be some confusion with a number of candidates who gave the answer Bank Loan. This is more mid to long term finance.

### **Question 2**

Candidates were asked about what questions an 'entrepreneur would ask' and this was well answered for most candidates who gained the two marks.

### **Question 3**

A question on risks and why businesses tend to fail during their first year. This was well answered by candidates who tended to gain the two marks available, with just a smaller percentage gaining one mark. This topic is evidently understood by candidates and realise the implications involved.

### **Question 4**

As in previous questions with graphs included in them, some candidates found difficulty in understanding the graph and then applying the knowledge gained to answer the questions.

### **Question 5**

A further question related to the graph where candidates had to analyse and then apply the information to decide the impact it would have on Northern Coffee Merchants Ltd. Most were able to gain one mark but the second mark proved more difficult for some.

### **Question 6**

Candidates had to understand a second graph and comment on how the interest rate would affect small businesses. This question was aimed at the higher level candidates and this proved to be more challenging for candidates with most only gaining one mark. This is in Topic 1.5 'Impact on changes in interest rates on small businesses.' Perhaps this type of question could be practiced more with candidates to help them in the future.

### **Question 7**

Topic 1.3 covers Venture Capital and candidates always seem to have difficulty with this section of the syllabus, with less than half gaining the two marks available. Perhaps this is also where further practice could be given to help candidates.

### **Questions 8 – 10**

Required candidates to read details of three companies and then answer the questions on the following page.

### **Question 8**

The decision as to which would be a good market for Connie to enter was not always fully understood, less than half the candidates gained the two marks available with most gaining just one. Candidates should be encouraged to read the information carefully before answering the question, especially when there is so much information to understand.

### **Question 9**

This question was well answered by the majority of candidates who gained the full two marks, fully understanding what effective customer service is.

### **Question 10**

Identification of two non-financial objectives for Connie when starting her business was very well answered with almost all candidates gaining full marks.

### **Question 11**

This question tended to confuse some candidates on what Fayazee was actually showing as an entrepreneur. A number opted for showing determination, which she might have been doing however, on closely reading the scenario, she was in fact showing leadership skills.

### **Question 12**

Candidates clearly understood which skills she demonstrated on Thursday with a large majority gaining the mark available.

### **Question 13**

The majority of candidates understood the question on location and where able to select the option that would be most appropriate for Sachin.

**Question 14** – A second question on the diagram and candidates had to select two sources of added value. This is a topic that has been tested before and candidates had clearly understood and where able to gain the marks available.

**Question 15**

A question on exchange rates which most of the candidates were able to gain the mark available.

**Question 16**

Customer focus was a topic understood by the majority of candidates and gained the mark available.

**Question 17**

This question on increased economic activity proved to be slightly challenging for some candidates. This topic 1.5 'How do business cycles affect small businesses' may need to be revisited for candidates in the future.

**Question 18**

This question appeared to be more challenging for candidates and was aimed at the higher grades, with just under half of the candidates gaining the two marks. The topic was from 1.4 'the marketing mix' and was looking at the effect of promotion on businesses. Perhaps this type of question could be practiced more with candidates to help them in the future.

**Question 19**

As with previous papers, this question was well answered, by most candidates. It appears that candidates are well prepared for this question.

**Question 20**

The 6 mark extended writing question is a feature of the unit 6 examination. This question requires evidence of the skills in Assessment Objectives (AO) AO1, AO2 and AO3. Candidates need to make a decision and provide reasoned justification for that decision. Note, as in previous papers there is no right or wrong answer: a candidate could have justified that cutting costs is more important than increasing prices and vice-versa.

To score full marks candidates must offer some evaluation. In this case study, the candidate might suggest that Natalie could have made one of the stylists redundant and this would have save her salary/wages, or even using cheaper products to use at the salon. However increasing her prices may have had the effect that a number of customers would not return to the salon because the prices are too dear and would go and find another hairdressing salon. This would have a detrimental effect on her business and Natalie could lose a number of clients.

As with previous series, some candidates provided too much detail, sometimes using several additional sheets – often with the result that their arguments and justification become too difficult to understand. Centres need to ensure that candidates know that full marks can be gained by writing in the amount of space provided.

## **Advice for centres**

Below is a summary of advice specifically arising from this examination series. This includes from guidance from previous series.

### **1. Multiple choice does not necessarily mean easier**

Centres should work with candidates to ensure that they are sufficiently prepared to attempt multiple choice questions. The questions are designed to address skills including application and analysis.

### **2. 6 mark question**

Useful advice for candidates on answering this question.

- Organise arguments using paragraphs. Indent or leave a line between paragraphs if necessary, to emphasise the organisation and structure.
- A common approach is for candidates to make a decision, justify this using appropriate terminology and concepts, suggest how the other option may be affected and finally state why the chosen option is **more** affected than the other. Importantly, candidates should try to arrive at an original conclusion that does not simply repeat what has already been stated in the stimulus.
- Don't write too much: arguments become unclear and become more vague when too much detail is provided.

### **3. Analysis of graphs**

This is perhaps where centres perhaps could prepare candidates more by giving them examples of graphs so that they can analyse the information and make judgements. In case this type of question appears in future papers.

### **4. Key terms**

A number of marks on this paper are gained through knowledge of key terms. Centre should plan to consolidate this knowledge on a regular – weekly – basis with their candidates. This could take many different forms such as quizzes and crosswords.

### **5. Practice makes perfect**

To improve performance of candidates, centres should seek to develop examination technique by running mock exams under the same timed conditions as the real paper. On the Edexcel website, there is now a selection of past papers available.

### **6. Timing**

Whilst many candidates scored highly on this paper, it was considered at times that incorrect responses were selected by candidate as a result of questions not being read thoroughly enough. Centres are encouraged to work with candidates in using the 45 minutes available to think carefully about each question, identify distracters, and finally the correct answer. A check by candidates of all their answers is also encouraged before the end of the examination. Candidates need to be aware that questions are designed to include some strong distracters.

### **Additional support**

There is extensive support for teachers in relation to the course from Edexcel. This includes:

**Ask the Expert** – a service which allows teachers to ask question of the senior examining team directly

<http://www.edexcel.com/aboutus/contact-us/ask-expert/Pages/home.aspx>

There are exemplar materials and regular updates on training, including online training on the GCSE Business website –

<http://www.edexcel.com/Subjects/Business/Pages/Default.aspx>

Customised training can be arranged to deal with specific queries that centres have –

<http://www.edexcel.com/i-am-a/head-department/Pages/Training.aspx>

Resultsplus – a service which gives centres feedback on how candidates have performed for the examination series.

<https://www.edexcel.com/resultsplus/Pages/default.aspx>

## **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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