



Examiners' Report Principal Examiner Feedback

Summer 2025

Pearson Edexcel Advanced Subsidiary
In Business (8BS0)

Paper 2: Managing Business Activities

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Introduction

This report provides feedback on 8BS02 'Managing Business Activities', the second paper which comprises the AS Level qualification in Business. This report should be used by centres to provide teachers and students with guidance as to how to approach the various question types going forward. This report aims to highlight common areas of misunderstanding, mistakes, and places where teachers and candidates can make some gains for 2026.

This paper proved to be an accessible exam paper that showed very little evidence to suggest that candidates did not have enough time to complete the paper. Candidates accessed a wide range of marks with some good and occasionally very good responses to the questions set.

The majority of candidates fully understood the expectations of each command word, however some topics were not as well understood as others. This report will go some way to breaking this down to explain where this was evident and to make recommendations on how to support students moving forward.

Question 1a

This should have been a straightforward question, but many students only provided examples i.e. £1 to \$1.20, only showing a partial awareness of an exchange rate. Students should be encouraged to write full definitions and avoid vague statements e.g. the rate of one currency to another. Centres should encourage students to revise clear definitions for all topics on the specification.

Question 1b

This proved to be a challenging question for some, as some definitions were not clear. Many candidates defined productivity e.g. output per input instead, which wasn't answering the question. Students clearly found it difficult to understand the difference between productivity and efficiency, centres should focus on these differences when teaching this part of the specification.

Question 1c

This question proved to be challenging for some candidates as they were not familiar with reversing a formula. Many knew how to calculate Gross profit as this formula was displayed on many answers, however the question was to calculate cost of sales, so they needed the formula for this. Centres should encourage students to practise calculating different parts on an income statement when given different data. Some candidates that got the correct answer didn't display the millions, preventing them from getting the four marks. Candidates should make sure that they fully read the data in the extract, to ensure that they do not miss important information that is needed in their answers. Centres could help students create a formula list for the different topics assessed, looking at the different ways those formulae could be reversed.

Question 1d

This question was answered well with many candidates showing the formula for profit for the year margin. However, some candidates failed to display their answer to two decimal places, as requested in the question. Centres should encourage students to show all their workings and display the formula in their answer, just in case they get the incorrect answer, so that they can still achieve marks for knowledge and application. Candidates should also make sure that they display the % sign in their answer when calculating profit for the year margin.

Question 1e

This question was answered well by many candidates, as they understood the implications of operating in a competitive market. The context in the extract was used well by many, but centres should encourage students to do more than just state information from the extract, as it should be used to create an argument or chain of reasoning. The command word was to assess two, students should make sure that they identify 2 different drawbacks and not just repeat their first point. Assess also means to balance and some candidates are still only providing one sided arguments.

Question 1f

There was a range of answers to this question, with many candidates not understanding batch production, mistaking it with capital intensive production and not making reference to a group of products, which made their answers generic and ones that could apply to flow production. Some candidates also did struggle to bring this back to how this could allow a business to have a competitive advantage. Centres should encourage students to read all of the question and identify the key elements, i.e. in this case 'batch production' and 'competitive advantage' to ensure that they are fully addressing the question.

Question 2a

Candidates approached this definition in different ways, some had a clear definition of what it was, whereas others wrote out the formula. Both approaches were accepted for full marks. Most candidates scored 2 marks for this question, but some candidates mixed up capacity and capacity utilisation.

Question 2b

This question was answered well, with many candidates having a clear definition or alternatively writing out the formula as with question 2a, which was accepted. There were some that missed out the word 'output' and said the 'point'. Candidates should be advised to not use the word in the question, in their definition, and look to choose an alternative word to define, as seen with the word 'output' above.

Question 2c

This question was answered well, with many candidates understanding the formula for current ratio. Again, as with most calculation questions, candidates are expected to display their answers to two decimal places. Some failed to do this. Centres should also show students how to calculate all parts of the formula. It was evident that some candidates knew how to calculate current ratio, but they didn't know how to calculate current assets, which is needed in order to get the answer to the question.

Question 2d

This question was answered well with most candidates understanding the benefits of using a budget. There was good use of application to support a point or a consequence. However, there are still some candidates that just quote information from the extract and do not actually use it as part of an answer. Centres should work with students to help them develop the skill of weaving context into their answers. The question was 'explain one' so candidates should avoid using 'furthermore' in their answer as they are often moving on to a second benefit and the question only requires one. They should also avoid the word 'however' as a counter argument is not needed.

Question 2e

This topic was not well understood, and the question wasn't well answered. Some candidates misunderstood the question and assumed this was the first time Cineworld was issuing share capital, which was incorrect. The role of the shareholder in a plc needs to be better understood in order for students to be able to better answer this kind of question in the future.

Question 2f

The negative effects of inflation were well understood with many candidates referring to the cost-of-living crisis. However, many struggled with the command word here and thought that they had to give a benefit of inflation, which many attempted unsuccessfully. Their counter argument could have come from how Cineworld may not be significantly affected due to them being able to pass the rising costs onto customers by charging higher prices, or by the fact that they may not be affected as they also operate outside the UK. Centres would benefit from helping students plan their answers to these kinds of questions, so that they understand that word assess doesn't always mean the positives and negatives of something.

Question 3

Candidates' knowledge of this question was generally good. The only common mistake was the lack of ability to bring the answer back to the impact on sales revenue as some referred to profit. Centres should encourage candidates to answer all of the question, which means more than just looking at the two options, in this case lower prices online or open up a pop-up shop. Context was generally used well, but chains of reasoning were lacking on many responses. There were some very good

answers that referred to PED and pricing strategies to support the points for and against both options. Some conclusions were a repetition of previous comments made in the answer. Centres should work with students to help them develop recommendations that offer something new to support existing comments

Paper Summary:

Based on the exemplars that have been seen by the Principal Examiner, centres and candidates are offered the following advice for 2026:

- 1) Learn all of the key terms in the specification. ·
- 2) Learn the formulae in the specification and ask the students to practise reversing the formula
- 3) In 'Explain one' questions students should only focus on one and avoid 'furthermore' and 'however' arguments
- 4) In assess questions, students should make sure that they show balanced arguments.