

# Examiners' Report/ Principal Examiner Feedback

## Summer 2010

GCSE

### GCSE Applied Business 5AB04 Paper(01)

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## PE Report On Examination Paper 5AB04/01

### General Comments

This was the first paper to be sat for the new Applied Business qualification (double award) which is available June each year. The paper was based on a café bar (*Café Bodega*). The scenario proved accessible to candidates. It contained text and an image. The purpose of the scenario is to help candidates appreciate the context within which they are applying their answers. The next paper in June 2011 will continue to give brief text-based information and use diagrams and other images in order to help 'paint a picture' for candidates. Centres realise that candidates are not expected to memorise scenario information, because of its introductory purpose - key information will be provided in question stems. However, the advice remains to ensure that candidates re-visit this scenario several times during the examination, to re-familiarise themselves with it.

The paper contained questions from all specification areas, and this practice will continue. There were six questions in total. The paper was designed to assess candidates across the full GCSE ability range, and achieved this, proving to be accessible to all. Quality of Written information was assessed in question 6(b) and this was indicated by an asterisk (\*6(b)).

The 60 minutes seemed sufficient. Gaps appeared to be due more to lack of knowledge than lack of time. The paper differentiated well, and all questions were answered as expected with no major misinterpretations. Most centres seem to be aware of on-line marking and related issues, and have taken full account of advice given to ensure as far as possible that candidates answer question parts in the space allocated. Some candidates wasted time and space on the paper as they repeated the question stem.

Where, for example, a candidate had deleted a wrong answer in the answer line section, most candidates indicated the location of the corrected answer on the paper (e.g. 'see next page' or 'my answer is on the last blank page'). This practice is strongly encouraged. There were a few occurrences of candidates writing in heavy felt pens that transferred onto the reverse of the paper or in pencil that was difficult to read. Centres should clearly instruct candidates to read the rubric at the front of the paper which advises them to use black ink or ball-point pen.

The most common problem throughout the paper was the constant inappropriate mention of 'profit'.

## Comments on Individual Questions

### Question 1

All parts of the question were well answered in general, causing few difficulties for candidates. In part (c) the most common mistake was candidates believing that the cash-flow forecast would forecast profit.

### Question 2

Parts (a) and (b) of this question were not well answered. Many candidates failed to appreciate that the budget is a forecast of future events and had little idea of how a labour budget could help the business, or the role of a purchases budget. Few mentioned that a budget looks at both costs and revenue. A number of students mentioned budgets showing profit and loss.

Part (c) was tackled better although some candidates lost marks as they did not show understanding that the sales were an estimate. Part (d) elicited mixed answers with many candidates gaining full marks but equally many gaining no marks. The most common mistake was reversing the favourable and adverse answers.

### Question 3

Many candidates scored full marks on part (a) but lost marks on part (b) as they referred to profit and loss. Most candidates gained 1 mark in part (c) as they realised that the bank would want to be repaid, but failed to explain that the bank was a lender and what the cash-flow forecast would show them.

### Question 4

Most candidates successfully calculated the break even point in part (a). Some candidates lost marks in part (b) as they correctly calculated the new break even but showed this as £60.

In part (b) candidates were asked to construct a fully labelled break-even chart. This was in the main answered well by many who showed they understood the workings of a break-even chart but marks were lost by those who failed to correctly label both axes.

### Question 5

Candidates struggled parts (a) and (b) of this question, showing little knowledge of how ICT can assist with break-even. Marks were lost in part (c) where candidates spoke about Profit and Loss accounts in general rather than forecasting.

### Question 6

In part (a) most candidates correctly identified the meaning of the term government grant although some candidates believed the money had to be given back.

Part (b) was the 'extended answer' element of the paper, and was quite well answered. Most answers were written in extended prose rather than as bullet points, which is encouraging, and there were some good attempts with candidates scoring high marks.

Many candidates justified which ever option they had chosen, and gave some reasons why they didn't choose the other option. The biggest issue with this question was that many candidates seemed not to have planned their response. Many simply repeated the same points again and again. When explaining why the other option was not chosen many candidates summarised the advantages and disadvantages they had previously identified and explained.

## Grade Boundaries - June 2010

5AB04	Total	A*	A	B	C	D	E	F	G
Raw Mark	60	48	41	34	27	24	21	18	15
UMS	80	72	64	56	48	40	32	24	16

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