



Pearson

Examiners' Report

Principal Examiner Feedback

Summer 2017

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In Business Studies (5BS01) Paper 01

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GCSE BUSINESS STUDIES 5BSO1/01 JUNE 2017

General Comments

As reported in previous series, the evidence suggests that the paper was accessible and candidates were able to demonstrate effective knowledge and understanding of the content from Unit 1. From the statistical information gained it shows that centres are preparing their candidates effectively for this objective test paper.

Unit 1 is more heavily weighted towards Assessment Objective (AO) 1 – Demonstrating knowledge and (AO) 2 Application of knowledge, the questions, as always require candidates to carefully read through the options before selecting an answer.

As in all examination papers the questions are produced to target the full range of abilities from G to A*, therefore some questions will be more challenging than others.

Again as in previous years', centres should advise candidates that all questions should be attempted rather than missing any of them out. One question missed out, could mean a difference of a grade. Even if candidate is not sure of the answer, it is worth attempting.

Also another reminder, candidates should remember that all papers are scanned, to enable them to be marked by computer, therefore, they should mark clearly their answers using black ink, so the marks can be seen, together with following the instructions given. There are still some candidates who do not do this. Some candidates have 'ticked' the responses as opposed to marking them with an 'x', this clearly does not follow the instructions given on the paper and could make a difference in their marks.

Some candidates have used a variety of methods to help them to either eliminate options or to decide which option is correct. This is good advice to give candidates provided again, they do not cover the boxes on the left half side. Some candidates had highlighted/circled the number of marks for each question together, also marking the main part of the question, thus helping them answer correctly. This may be a useful tip to use.

There are still some candidates that do not clearly identify which are their chosen answers, after they have changed their minds several times. If a candidate does make an error in marking the answer/s, instructions on how to amend are shown at the front of the questions.

Below is a summary of performance in the questions for which particular issues were evident, or for which a comment is worth making.

Question 1 – what was considered a straightforward question on stakeholders, did prove slightly challenging for some candidates, with less than half only gaining the mark available. As always it is intended that this question is an introduction to the paper.

Question 2 – candidates clearly understood the qualities that an entrepreneur should have when explaining his vision to his employees. Over three quarters of the cohort successfully gained the mark available.

Question 3 – this question looked at the reasons for a business displaying the goods in front of the shop. A question most candidates were able to relate to and thus were able to gain the marks available. The majority of the cohort, were able to gain at least one mark on this question.

Question 4 – this question proved slightly more difficult for candidates to gain the full three marks available, identifying the reasons why a business would change ownership. Approximately half of the candidates gained the full three marks available for this question.

Question 5 – the majority of the candidates clearly understood the various methods used to gather primary research for a business.

Question 6 – again a question were candidates understood the difference between financial and non-financial objectives of a business. A large percentage of the candidates gained the mark available.

Question 7 – candidates had to identify what was meant by 'added value' and most understood that it is the difference between what a business pays its suppliers and what it receives from selling its products.

Question 8 – this question appeared to challenge the majority of the candidates as approximately a quarter were able to gain the full three marks available. Approximately half of the candidates gained two out of the three marks. The question was taken from Topic 1.3 Obtaining finance, candidates had to identify which three of the options would be examples of long-term sources of finance. From a selection of the samples seen, candidates were able to identify that venture capital and share capital were methods of long-term sources of finance. Again perhaps this type of question could be practiced further.

Question 9 – as always a question where candidates have to carry out calculations does cause some issues. For this particular question candidates had to work out the calculation and then decide the effect on the business. Approximately half of the candidates gained the two marks available, with just over a fifth of the candidates not gaining any marks. Perhaps the candidates did not realise that a reduction in the USA dollar would make the less profit for the business.

Question 10 – the majority of candidates appeared to be well prepared for this type of question where they have to carry out three different calculations to gain the marks available. Again it worth reminding centres that if candidates' handwriting and figures are not clearly written they may lose valuable marks. Also they must ensure that they write the answer in the boxes provided.

Question 11 – this question was taken from 1.3 where candidates have to have an understanding for the reasons for producing a cash flow. Approximately a third of the candidates were able to gain the three marks available, with just over half gaining two marks. Perhaps candidates understood how a cash flow forecast is produced but not the reasons why this document would be created in a business. Perhaps most were able to identify that the bank would need to see if they were going to provide a loan. However they may not have appreciated that a cash flow forecast would enable the business to identify if they needed an overdraft or not.

Question 12 – approximately two thirds of the candidates were able to gain one mark on the reasons for choosing a new location.

Question 13 – candidates were able to identify which of the terms best defined innovation, that of transforming new ideas into products that could be marketed.

Question 14 – a question similar to this has appeared in previous examination series and was also not well answered. The topic of tax is an area of the specification that candidates find difficult. Perhaps it is a question that needs further development. Just over half of the cohort gained the mark for this question.

Question 15 – candidates were able to analyse the graph and decide on the two conclusions that could be drawn, with approximately three quarters of the candidates gaining the marks available.

Question 16 – only a very small percentage of candidates did not gain the mark on this question with regard to why the business produces high-quality office chairs.

Question 17 – this question was taken from the topic 1.5 impact of changes in interest rates on small businesses, proved more difficult for the majority of the candidates with only just over a third gaining the fully three marks. Candidates had to analyse how the effect of the change in interest rate from a percentage of around 15% to one of around 5% would have on the overdraft for the business. From a selection of the samples seen most were able to identify that it would reduce fixed costs for the business.

Question 18 – ‘lateral thinking techniques’ has been a question that has been asked in previous papers and has not well answered. Just over half of the cohort gained the full two marks.

Question 19 – the concept of ‘what if’ questions appears to be understood by the majority of the candidates who were able to identify that it improve decision making for any business.

Question 20 – As with previous papers, this type of question enables candidates to demonstrate their knowledge of the terms used. However, only just over half of the candidates gained the full five marks for this question, meaning that one of the terms is not fully understood. In previous papers it has been person specification, or perhaps this year it may have been unique

trading name. However, it does appear that candidates are well prepared for this question.

Advice for centres

Below is a summary of advice specifically arising from this examination series and previous series. This includes some of the guidance which may be useful to centres when preparing candidates for the examination.

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 require skills including application and analysis.

2 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.

3 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, crosswords etc.

4 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.

5 Timing - whilst many candidates scored highly on this paper, it was considered at times 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.

