

Examiners' Report/ Principal Examiner Feedback

Summer 2010

GCSE

GCSE Business Studies (5BS05) Paper 01

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PE Report on Examination Paper 5BS05/01

General Comments:

This examination session was the first sitting of this unit and the entry was very low. Nonetheless, the responses provided raised a number of key issues that centres should take on board. Whilst students generally provided competent responses demonstrating a fair degree of subject knowledge, a number continue to merely state what they know on a specific subject area and fail to apply this knowledge to the requirements of the question. One of the aims of this paper is for students to use their economic toolkit to apply their knowledge to a range of real world scenarios before analysing possible consequences/policy responses etc. The advice to centres is to support students into recognising the requirements of the question and to understand the significance of the command word of each question. Throughout the paper the expectation is not for the student to write what they know about a subject but to develop strands and linkages to the question set. Those students that did this during the June 2010 paper performed very well.

Comments on Individual Questions

Section A:

This area of the examination paper aims to enable students of all ability levels to access the questions. The intention is that as a student moves through questions 1-4 the difficulty level will increase gradually with candidates being required to provide a justification to a real world example.

1a, 2a, 3a, 4a

Students generally performed well on these questions - in part due to their targeting at ability levels E and below.

1bi.

The command word was to 'identify' and many candidates were able to provide appropriate costs to the individual of being unemployed. However, a small number of candidates offered an explanation of their response which was not required and could not receive any credit; likewise a number wrote of costs to society.

1bii.

The attempt here was to get candidates to develop an explanation with 3 clear links. It was encouraging, therefore, to see a high proportion of students demonstrate the skills required. Almost all students were able to score from this question.

1c.

Candidates generally did not perform well on this question - many simply said the government could increase unemployment benefits without explaining how this might lead to a reduction in unemployment. Some of the better answers linked government spending to financing education and training before explaining how this would lead to people gaining more up to date skills which would enable them to gain employment.

2b.

Generally well answered, with most students able to identify at least one relevant reason. Few scored zero.

2c.

Many students recognised that economies of scale would bring benefits to the firms in terms of an improvement of their cost structure - a surprisingly low proportion however, made explicit reference to the importance of unit costs. Most candidates were able to develop their response to the ability of firms to adjust their prices in response to the economies of scale.

2d.

This question proved to provide a major stumbling block for many students who did not offer more than a reduction in control of the business. Whilst correct, they did not proceed to explaining the implications for costs, prices and profits.

3b.

Question 3 used a specific social problem as mentioned in the syllabus. It was not surprising therefore, that a number of students were familiar with the subject of binge drinking. Nonetheless, a surprising number of students simply provided a list of private costs of binge drinking which was not required. Centres need to stress to students the need to differentiate between costs/benefits to the individual and to society throughout the delivery of the course.

3ci.

Almost all students answered this question well.

3cii.

Many candidates used the evidence well and gave good responses. However, a number did not make 3 clear linkages and stopped short of stating how their selected method would reduce binge drinking. For example, candidates stated that increasing the tax on alcohol would make it more expensive to buy and that people would purchase less but did not develop the response to state that this would reduce consumption.

4b.

Candidates generally performed less well on this question with few being able to identify appropriate factors. Very few candidates scored two marks on this question.

4c.

Again, this question required students to develop a series of linkages to demonstrate a benefit to Manchester United of having tickets deemed to be price insensitive in demand. Whilst many recognised that being price insensitive meant they might be able to increase their prices, it was not clear why this was the case. A number of students stated that putting up prices for a price insensitive product would lead to an increase in profits. Without any information on costs this cannot be automatically deduced. Therefore, those students who recognised that the impact upon revenue was key and why it would rise tended to score highly.

4d.

Whilst many students encountered difficulties with this question a pleasing number of students were able to provide a detailed justification of the likely result on

Portsmouth FC's revenue following a reduction in the price of tickets. The very best answers recognised the likely price sensitivity of these tickets and analysed how the cut in prices would be expected to culminate in a greater than proportionate increase in demand. Moreover, some candidates highlighted the need to consider how high the original and new prices were as they might still be too expensive and not represent value for money. Again, linkages and applying economic principles to a given scenario are key and centres should explore opportunities to develop this area of the syllabus through real world examples.

Section B:

In section B, the questions are based around evidence so candidates are encouraged to look for situations where the question makes use of the context provided, since an applied response will be essential to score all of the marks on offer. In the June 2010 session it was encouraging to see a high proportion of students following this approach.

5.

The question aimed to elicit the perspectives of two stakeholder groups to rising fuel prices. This question provided a range in the quality of responses with the better answers offering detailed linkages as to how that specific stakeholder would be affected by rising petrol prices. A number of students surprisingly believed that shareholders of petrol companies would be negatively affected by rising fuel prices.

6a.

This was very well answered with most students providing a full definition.

6b.

Again, a well answered question which proved accessible to the majority of candidates.

7.

Questions requiring the use of macro economic policy tools are clearly challenging for candidates of all abilities. Despite a small number of students being confused as to what these policies are, most candidates were able to provide an analysis of how the selected policy would work (i.e. a simple transmission mechanism) before making a simple judgement. The very best responses made reference to both policies and offered a balanced judgement as to why one policy option was preferable to that of another. Moreover, these candidates clearly demonstrated how the policy would affect a lorry company rather than giving a general macroeconomic answer.

8a.

This question was poorly answered with the majority of candidates not understanding what insolvency is and offering little more than *it is when a business 'loses money'*.

8b.

The aim of this question was for candidates to recognise two possible factors that could have affected Moat Hall Farm's cash flow. Many candidates struggled with this question but the better responses considered issues such as poor advertising which led to lower than expected sales revenue before providing clear linkages via the explanation.

Section C:

This section will always include an extended writing question which will be assessed for the quality of written communication. Again, questions are based around a central piece of evidence, so it is highly likely that candidates will have to offer a contextualised answer to score all of the marks available.

9.

This was generally well answered with a number of students simply offering a simple textbook explanation which was sufficient to score both marks.

10.

This question was poorly answered with few candidates being able to offer two appropriate factors. Whilst a number of candidates offered the quality of education and training as being relevant, they were unable to develop the response. Those that did spoke of training providing workers with necessary skills which would in turn increase a country's competitiveness, that this might lead to a rise in exports and fall in imports thereby, increasing the value of goods and services produced. Whilst this type of response was rare, it was highly pleasing to see this quality of response provided by GCSE students.

11.

This was the question that most students encountered difficulties with. Many students did not offer any consideration of regulation and simply offered a response which focused upon the problems of pollution. These responses therefore found themselves confined to level 1. Nonetheless, some students were able to offer a balanced response as to whether or not Governments should use regulation to achieve sustainable economic growth. The very best candidates offered sophisticated judgements by considering the practical difficulties in policing regulation and scored level 3 responses.

Grade Boundaries - June 2010

5BS05_01	Total	A*	A	B	C	D	E	F	G
Raw Mark	90	73	62	51	41	36	31	27	23
UMS	100	90	80	70	60	50	40	30	20

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