



# **Examiners' Report** **June 2023**

**GCSE Business 1BS0 02**

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## Introduction

This was the fifth sitting of the 2017 Specification in GCSE Business, but essentially only the third meaningful one, due to the Covid-19 pandemic. Again, entries rose compared to 2022 with approximately 61,000 students sitting this examination.

This report gives feedback on Paper 2 (1BS0\_02) 'Building a business'. It should be used by centres as a critical document to enhance both teacher and student understanding of the core skills that are under test in each type of question. Going forward, it should be used to fine-tune the approach taken by candidates in answering each style of question used within the examination.

Please note, I have deliberately made this report lengthy (apologies to those centres that photocopy this report), so that students have access to worked examples that can be used in the classroom to support future student performance. Please do ensure that it is used in the classroom, since the purpose of this report is that should **not be** hidden away for the exclusive use of teachers.

Each question will have at least two worked exemplars which will highlight common mistakes and provide examples of high-scoring performance. Where appropriate, I have included 'Examiner Tips' on how candidate performance could be improved in future years.

Once again I did an extensive sample of student responses at the start of this series, and on this paper approximately 4% of candidates failed to finish the paper and answer Question 7(e). This suggests that the extra 15 minutes of time was well used by candidates, as was the separate source booklet. Nevertheless, approximately 4% of candidates left the 12 mark 'Evaluate...' question blank. This could be attributed to poor examination technique through over-answering on 1, 2 and 3 mark questions. Repeating the root of the question is often the main culprit, as well as the over-engineering of answers to low-tariff questions, where more points and linked strands are written than is necessary to score full marks. I will be highlighting these errors throughout this report.

## Question 1 (c)

This question was, on the whole, well answered. The majority of students focused on improving motivation and productivity, aligning the goals of the employee to that of the business and creating a reduction in staff turnover. A small proportion of students focused on the benefits to the individual employee and never brought their answer back around to highlight a reason why the business might use performance reviews. A more common error was **confusing performance reviews with customer reviews**. Sadly, as a result of not answering the question, these candidates scored zero marks.

(c) Explain **one** reason why a business might use performance reviews with its employees.

(3)

One reason why a business might use performance reviews with its employees is ~~good review~~ it is a good way to advertise the product ~~because~~ because employees have tried it it is real. This leads to people purchasing because it is real. Therefore more profit.



This is an example of how some candidates confused customer reviews with performance reviews. Performance reviews have nothing to do with '...advertising the product...' The candidate scored 0 marks.

(c) Explain **one** reason why a business might use performance reviews with its employees.

(3)  
A performance review checks if an employee is working at an adequate level by setting them yearly aims. This will help identify employees that are not doing an adequate amount of work so they can be warned or dismissed. This will help maintain business productivity levels.



The candidate scored 1 mark for the reason '...checks if an employee is working at an adequate level by setting up yearly aims'. This is then developed through '...help identify employees that are not doing an adequate amount of work so they can be warned...' (1 mark). This is then further developed with '...this will help maintain business productivity levels...' (1 mark). The candidate scored 3 marks in total.

## Question 1 (d)

This question required the candidate to 'Explain **one** impact...'. Impacts can either be positive or negative so the question offered candidates a degree of flexibility in their approach. Candidates tended to struggle with this question since they often failed to make it clear that their response was about 'flow production'.

(d) Explain **one** impact on a business of using flow production.

(3)

One impact on a business of using flow production is that it will be able to produce ~~it~~ identical items at a fast rate. This will maximise business profits and its success rate, however the machinery it in order to set up is quite expensive meaning that the business will have a decrease in revenue at the start.



The candidate provides an impact '...it will be able to produce identical items at a fast rate.' (1 mark). This is then developed through '...this will maximise profits.' (1 mark). The candidate then switches to a separate impact '...however the machinery to set up is quite expensive...' and then makes an error through '...the business will have a decrease in revenue at the start.' Thus, the candidate has provided two impacts, when the question only asks for one. In this situation only the first impact is scored since it is worth 2 marks for an impact and an accurate linked strand. The second impact is worth less since it has inaccurate development. Thus, it is ignored.

Overall, the response scored 2 marks.



Notice how the candidate repeats the root of the question through 'One impact on a business of using flow production is...'. Doing this does not score any additional marks and if repeated over the course of a full exam paper, can often cause a candidate to run out of time. Thus, it can be an expensive error to make.

(d) Explain **one** impact on a business of using flow production.

(3)

one impact on a business of using flow production is that the business is able to manufacture identical products in high quantities at high speeds. This means that the business is able to recover from stock issues such as selling out quickly and are more able to meet spikes in demand. As a result the business is not likely to lose out on sales due to stock complications.



The candidate provides an impact '...the business is able to manufacture identical products in high quantities at high speeds.' (1 mark). This is linked to '...the business is able to recover from stock issues such as selling out quickly and are more able to meet spikes in demand.' (1 mark). This is then linked to '...the business is not likely to lose out on sales due to stock complications.' (1 mark). The candidate provided an impact followed by two logical linked strands of development. Overall, the response scored 3 marks.

## Question 2 (c)

In 'calculate' questions no marks are given for the formula, since the question tests 'Application' or 'AO2'. If the correct answer is seen on the answer line, it is automatically awarded 2 marks. Thus, most candidates scored either 0 or 2 marks, unless they failed to round to the correct number of decimal places which was a fairly common problem.

Table 1 contains financial information about a business.

	£
Sales revenue	900 000
Cost of sales	325 000
Other operating expenses and interest	175 000
Net profit	400 000

**Table 1**

(c) Using the information in Table 1, calculate to 2 decimal places, the net profit margin.

(2)

$$\frac{\text{Net profit}}{\text{Sales rev}} \times 100 = \frac{400,000}{900,000} \times 100$$
$$= 44.4444\dots$$

44.4 %



The candidate has given an answer which is essentially correct, but has not followed the instruction of '... 2 decimal places' in the question. Thus, they can only score 1 mark.



Questions, when not involving a whole number answer, will always refer to '...2 decimal places...' in the root. Candidates will never have to round up or round down, because the questions have been engineered to prevent that from being required. Candidates just need their answer to be written to the first two decimal places on their calculator.

Table 1 contains financial information about a business.

	£
Sales revenue	900 000
Cost of sales	325 000
Other operating expenses and interest	175 000
Net profit	400 000

**Table 1**

(c) Using the information in Table 1, calculate to 2 decimal places, the net profit margin.

(2)

$$\frac{\text{net profit}}{\text{Sales revenue}} \times 100 = \frac{400,000}{900,000} \times 100 = 44.44\%$$



This is what the examiner is looking to see: the correct answer on the answer line to the right number of decimal places. 2 marks were awarded.

## Question 2 (d)

This was very well answered. Most candidates focused on 'interest rates' linking it to 'increased costs' and then 'decreased profit'. A smaller proportion of candidates considered the cash flow issues of making regular capital and interest repayments. The majority of candidates scored full marks.

(d) Explain **one** disadvantage to a business of using loan capital as a source of finance.

(3)

you have to pay interest.



The candidate offered a disadvantage with no development. Thus, the response scored 1 mark.

(d) Explain **one** disadvantage to a business of using loan capital as a source of finance.

(3)

one disadvantage is that the business will end up paying more because there will be a certain amount of interest charged this will mean that if the business plan fails the business will end up paying more than they ~~are~~ borrowed.



**ResultsPlus**  
Examiner Comments

The candidate has provided a disadvantage through '...the business will end up paying more' (1 mark). This is then linked to '...because there will be a certain amount of interest charged...' (1 mark). Then the candidate repeats what they essentially wrote at the start, so the third linked strand is a repeat. Overall, the response scored 2 marks.



**ResultsPlus**  
Examiner Tip

Always read your answer back and use your fingers to count the point (in this case it's a disadvantage) and then the two linked strands. This will help you to identify whether you have repeated a linked strand and/or whether your answer is too short or too long.

(d) Explain **one** disadvantage to a business of using loan capital as a source of finance.

(3)

One Disadvantage is greater cash outflow, as loans are borrowed money they are required to be paid back. This means that cash outflow is larger meaning less cash in the business resulting in less liquidity.



**ResultsPlus**  
Examiner Comments

This candidate offered a different style of response that was rarely seen. The disadvantage is '...greater cash outflow as loans are borrowed money they are required to pay back...' (1 mark). This was linked to '...less cash in the business...' (1 mark). This is then linked to '...less liquidity.' (1 mark). Overall, the response scored 3 marks.

## Question 2 (e)

This was another straightforward 'Explain **one** reason...' question that was well answered. Most candidates focused on the 'reduction in costs' or 'the need to replace employees with machines' or 'to improve communication/organisational structure'. A relatively small number of candidates misread the question and wrote responses about the impact on the employee of losing their job.

(e) Explain **one** reason why a business may decide to reduce the size of its workforce.

(3)

One reason is that costs are getting too high ~~less~~ which means that they have to reduce it therefore one option is cutting down the size of its employees



Despite its length, this response says very little. All of the development is a repeat of the question. Thus, the candidate receives 1 mark for '...costs are getting too high'. The remainder of the answer is a paraphrasing of what is stated in the question. Overall, the response was awarded 1 mark.

(e) Explain **one** reason why a business may decide to reduce the size of its workforce.

(3)

A business may decide to reduce the size of its workforce because it means they have less salaries to pay, leading to them being able to spend more money on marketing and improving products, therefore increasing sales and profit.



**ResultsPlus**  
Examiner Comments

This answer contains roughly the same number of words as the previous exemplar. However, it answers the question in full. A reason is provided '...less salaries to pay...' (1 mark) which was linked to '...being able to spend more money on marketing...' (1 mark) which was then linked to '...increasing sales...' (1 mark). A reason followed by 2 logical linked strands of development. Overall, the response scored 3 marks.

### **Question 3 (b)**

This question required candidates to interpret a bar gate stock graph. They had to measure the size of the three orders (A, B and C) and then add them together. A common mistake was not to subtract the buffer stock when calculating the size of each order. This approach led to an incorrect answer of 3,200 units, when the correct answer was 2,300 units.

Figure 2 shows a bar gate stock graph which shows the deliveries of raw materials to a business in June 2021. These deliveries are labelled A, B and C.

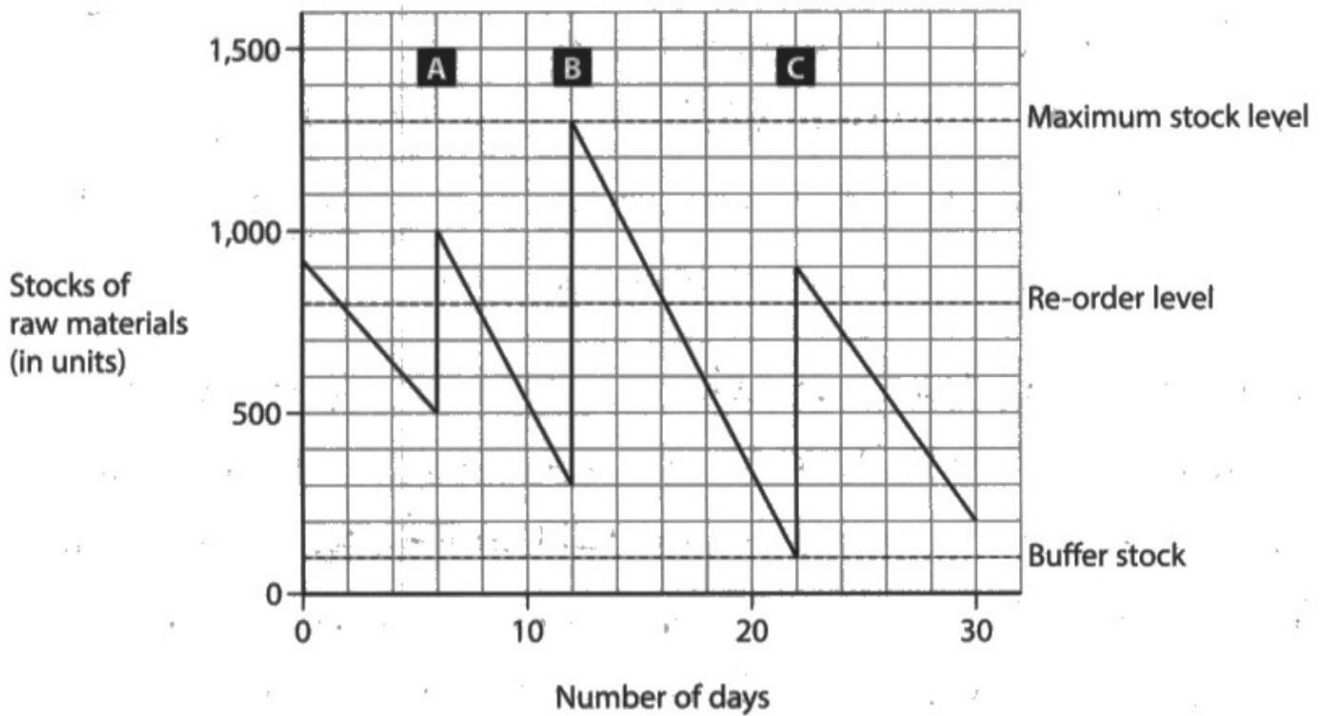


Figure 2

(b) Using the information in Figure 2, calculate the total amount of stock that was delivered to the business in June 2021. You are advised to show your workings.

(2)

$$\begin{aligned} &\text{maximum stock} - \text{buffer stock} \\ &= \\ &1300 - 100 = \underline{1200} \end{aligned}$$

.....1200..... units



**ResultsPlus**  
Examiner Comments

This candidate only calculated the size of the delivery for order B. The other two orders were ignored. The answer was incorrect on the answer line and the workings were not correct since the size of orders A and C were missing. Overall, the response scored 0 marks.

Figure 2 shows a bar gate stock graph which shows the deliveries of raw materials to a business in June 2021. These deliveries are labelled A, B and C.

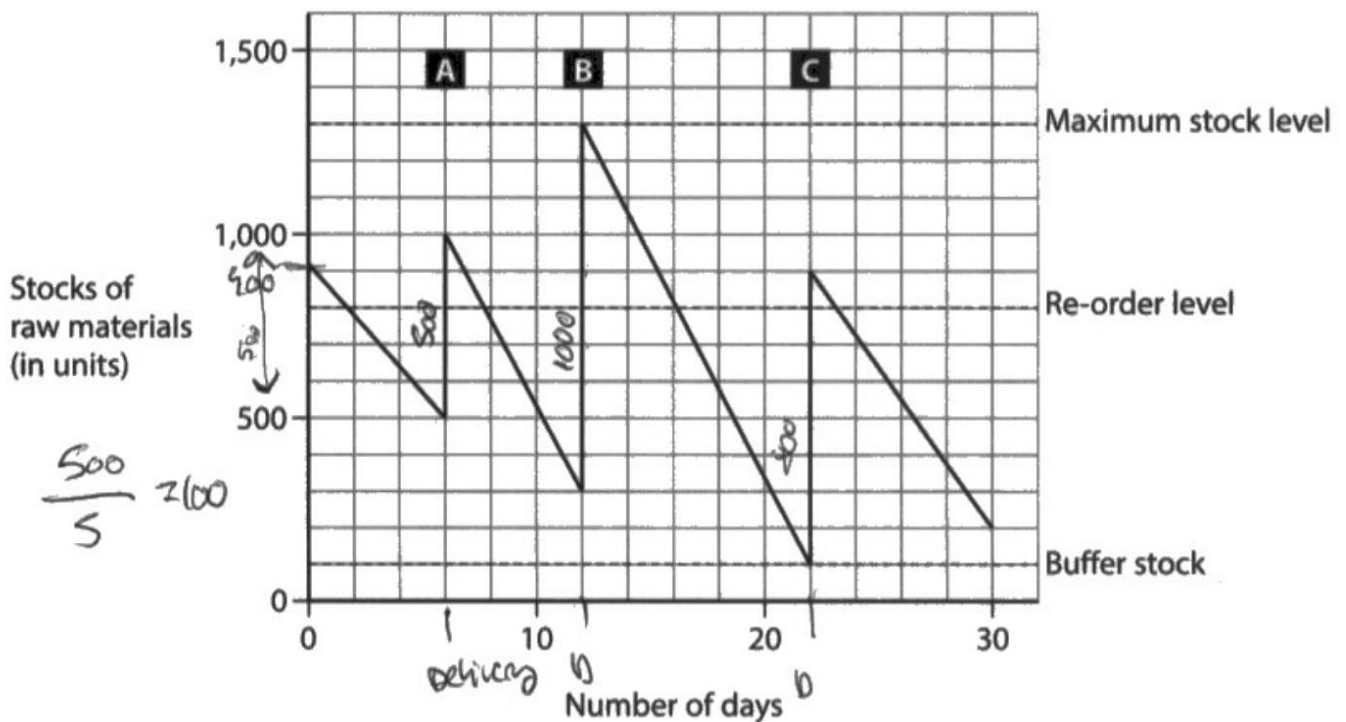


Figure 2

(b) Using the information in Figure 2, calculate the total amount of stock that was delivered to the business in June 2021. You are advised to show your workings.

(2)

A = 500 units  
 B = 1,000 units  
 C = 800 units

500  
 1,000  
 800  
 -----  
 2,300 units

2,300 units



The candidate provided the correct answer on the answer line. There is then no need to look at anything else. 2 marks were awarded.

### Question 3 (c)

This question elicited some responses where, rather than focus on the '...disadvantage of a poor relationship with suppliers', candidates chose to focus on what happens when there is a '...good relationship with suppliers'. Most correct answers focused on a 'lack of trade credit' or 'supplier unreliability' leading to less flexibility with orders or late delivery. Generally, the quality of responses to this question were good.

(c) Explain **one** disadvantage to a business of having a poor relationship with its suppliers.

(3)

if you needed stock like the next day and you have a poor relationship with your supplier ~~but~~ but if you have a good relationship then you ~~you~~ could get it as soon as possible and maybe for a cheaper price.



This is an example of a candidate who has answered the opposite of the question asked, and then the reader is required to work out that with a poor relationship the opposite is true. These type of responses scored 0 marks.

(c) Explain **one** disadvantage to a business of having a poor relationship with its suppliers.

(3)

One disadvantage is that suppliers may prioritise competitors over the business. As a result, the business will receive their raw materials after their competitors have. This means that the business will lose their competitive advantage as they will be slower to create/sell their products.



**ResultsPlus**  
Examiner Comments

The response provides a disadvantage through '...suppliers may prioritise competitors over the business.' (1 mark). This was linked to '...the business will receive their raw materials after their competitors...' (1 mark). This was then further linked to '...the business will lose its competitive advantage as they will be slower to create their products.' (1 mark). Overall, the response was awarded 3 marks.

### Question 3 (d)

This was another 'Explain **one** impact...' question. Impacts can be positive and negative. Most candidates chose to explore a positive impact. The favoured response was one that focused on 'motivation' and 'lower staff turnover'. A minority of responses focused on the impact on the employee, **not** the business. These responses scored 0 marks.

(d) Explain **one** impact on a business of introducing job rotation.

(3)

~~One impact is that~~ Job rotation could be useful when motivating employees. This is because the staff will be able to play any role instead of getting tired with their current role. For example when one of the workers in stock room are ~~told to go out~~ <sup>put</sup> the till and cashier.



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Examiner Comments

This candidate gave a positive impact through '...useful when motivating employees.' (1 mark). This was linked to '...because the staff will be able to play any role instead of getting tired with their current role.' (1 mark). Then an example was given. However, the example is **not** a further linked strand, it just exemplifies the previous linked strand. Thus, the response scored 2 marks.



**ResultsPlus**  
Examiner Tip

Candidates should be wary of using examples on questions that have no 'Application' or 'AO2'. They often add nothing to the scoring potential of the response.

(d) Explain **one** impact on a business of introducing job rotation.

(3)

It increases staff motivation and employees won't get bored, therefore increasing employee retention.



This response was short, but it was impossible not to award 3 marks. '...increases staff motivation...' is the impact (1 mark). This was linked to '...employees won't get bored...' (1 mark) which was linked to '...increasing employee retention.' (1 mark). So we have an impact and then subsequent logical, linked strands of development. Overall, the response was awarded 3 marks.

### Question 3 (e)

This question tests 'AO1b' or 'Understanding' **and** 'AO3a' or 'Analysis'. Examiners are instructed to make a level judgement **separately** on each 'AO' or 'Assessment Objective' and then take a 'line of best fit' to arrive at the final level and mark.

Most candidates displayed a shaky knowledge of tariffs. At the standardisation meeting we decided to give credit to candidates who stated that the exporting business paid the tariff, alongside the importing business paying the tariff because of the complexities of determining which business was the importer and the exporter. It was also pointed out that the exporting business could also decide to absorb the tariff by lowering the price of their exports and accepting a smaller profit per unit. However, candidates who did not display an accurate understanding of how a tariff worked were not given a Level 3 judgement for 'Understanding' or 'AO1b'. Thus, there were relatively few 6 mark responses to this question, with most reaching a range between 2-5 marks.

charge more

(e) Discuss the impact on a business from new tariffs being introduced by countries it exports to.

(6)

One impact to a business of new tariffs being introduced is that they will have to pay a tax on their exports, this means for whatever they export they will have to pay a tariff onto. This will result in less profit from products for the business.

Another impact is that they will have to charge more for their product, this means customers may be dissatisfied with the price and not purchase. This will lead to the business not gaining any revenue or profits, therefore will be costly to the business.



The candidate has divided their response into two paragraphs to reflect two impacts. The first impact is accurate and two linked strands are built from it. In the second paragraph, a further two linked strands are developed from an accurate, but perhaps slightly unclear, impact. Thus, Level 2 was awarded for 'Analysis' or 'AO3a'. A similar judgement was made for 'Understanding' or 'AO1b'. Overall, the response scored 4 marks.



It is often easier to generate five linked strands over two impacts rather than one impact to reach a Level 3 judgement in 'Analysis' or 'AO3a'. Separating the two impacts into two paragraphs aids the readability of the answer.

(e) Discuss the impact on a business from new tariffs being introduced by countries it exports to.

An impact on new tariffs being ~~introduced~~ <sup>introduced</sup> is that it may put off ~~the~~ customers in other countries as they don't want to pay extra for a product and they would instead buy from a business from their own country. This would lead to the business to make less sales to consumers abroad and cause them to make less profit and would be a barrier to them expanding globally.

Another impact on tariffs being introduced is that it could ~~actually~~ cause a company to have to lower their price in order to make it affordable and compete with the prices in other countries.

~~If~~ If the business has a USP then they could actually still make lots of sales abroad and make a large profit by selling to other countries.



This candidate has decided to consider two impacts. When considering the first impact, the candidate is accurate and develops three linked strands. When considering the second impact, the candidate is again accurate, and there are just about two linked strands. Thus, for 'Analysis' or 'AO3a', the candidate is awarded a Level 3. For 'Understanding' or 'AO1b' the understanding is strong, but the candidate never states that a tariff is a tax. Thus, a judgement was made which placed the response in Level 2 for this Assessment Objective. Therefore, using a line of best fit, the response was awarded Level 3 and 5 marks were scored.

## Question 4 (a)

In Section B, all of the questions now require 'Application' or 'AO2' – hence this is why there is a case-study to help candidates think about this skill at the start of the section. This year, the case studies or extracts were placed in a separate 'Source Booklet' to minimise the amount of time a candidate spends flicking between the extract and the questions.

Despite being only worth 2 marks this question proved to be troublesome. To score 1 mark '**one** possible method, other than faster delivery had to be identified that differentiated *Ocado's* service...' This was the easy part, although ideas such as opening up physical shops were not given any credit, since it was deemed at standardisation, that it is not part of *Ocado's* service as an online retailer. Most candidates chose 'environmentally friendly vans', 'better website' or 'increased choice' as their method. The harder part of achieving a full scoring answer was developing the method chosen with 'Application' or 'AO2'. Those responses which had a linked strand which developed the method, often did not provide any 'Application', and those responses that contained 'Application' often gave development that deviated into a benefit, rather than a pure focus on the development of the method. As a result, the vast majority of candidates scored 1 mark on this question.

- 4 (a) Outline **one** possible method, other than faster delivery, that *Ocado* could use to differentiate its service.

(2)

*Considering offering ~~above~~ one hour same day delivery service. This ~~is~~ hasn't been done by any of its competitors and can be very quick and efficient.*



The candidate has failed to read the question closely enough since '...one hour same day delivery...' is essentially the same as 'faster delivery' and the question states '...other than faster delivery'. Thus, the response did not answer the question and scored 0 marks.

4 (a) Outline **one** possible method, other than faster delivery, that *Ocado* could use to differentiate its service.

(2)

One other method ~~is that~~ *Ocado* could ~~increase~~  
~~its~~ ~~use~~ ~~is~~ increase product range. Increasing  
its product range means <sup>*Ocado*</sup> it may sell a product its  
rivals, *Asda*, may not sell, increasing sales revenue.



This response identifies a method '...increasing its product range' (1 mark) and then develops the method '...may sell a product that its rivals, *Asda*, may not sell...' This provides development of the method and also demonstrates application through '*Asda*' (1 mark). Thus, the second mark can be scored. It is worth noting that '...increasing sales revenue...' would not be accepted as development of the method because the candidate is changing the question to one that examines an impact/benefit rather than a method. Overall, the candidate scored 2 marks.

4 (a) Outline **one** possible method, other than faster delivery, that Ocado could use to differentiate its service.

(2)

Another method Ocado could use to differentiate its service is ~~expanding~~ offer excellent customer service. This means that ~~customers~~ <sup>shoppers</sup> are more satisfied if they have any worries or complaints with their deliveries or shopping bags as they already have a 62% excellent rating.



The candidate identifies a method through '...offer excellent customer service...' (1 mark). This is then developed through '...shoppers are more satisfied if they have any worries or complaints with their deliveries'. Despite the development, the second mark cannot be awarded until some 'Application' or 'AO2' has been seen. This appears right at the end with reference to the '62% rating from Trustpilot'. Note how the candidate has not deviated away from the method chosen and moved into benefits involving more customers, higher revenues etc. Overall, the response scored 2 marks.

## Question 4 (b)

The 'Analyse' question tests two 'Assessment Objectives' or 'AOs', namely 'AO2' or 'Application' and 'AO3a' or 'Analysis'. Thus, to be successful, candidates need to demonstrate both of these skills within their answer. Examiners will then make a separate judgement on 'Application' or 'AO2' looking for a range of different examples of context, spread throughout the response to reach Level 3. Equally, examiners are also looking for 5 linked, accurate, strands of development emanating from the 1 or 2 points (which in this case are benefits). If they see this, then a Level 3 judgement will also be made for this Assessment Objective as well. To reach their final mark, examiners will take a 'line of best fit' across the two 'AO' levels that have been adjudged by the examiner.

Note that a generic answer that has no context/application, whatsoever, cannot score above 3 marks.

This question proved to be highly accessible with most students focusing on 'increased sales' or 'increased brand loyalty'. The biggest brake on student achievement was lack of 'Application' or 'AO2'. Examiners were constrained in awarding some technically excellent answers 3/6 marks, simply due to a lack of realisation that the candidate had to contextualise their response. Again, exam technique was at fault here.

(b) Analyse the benefit to Ocado of good customer service.

(6)

A benefit would be that Ocado will satisfy their customers. This means that their customers would want to come back to them and be loyal, this would lead to more Ocado having a guaranteed income, which would result in them becoming more successful and able to expand and grow their business.

Another benefit would be that their businesses can be promoted and talked about amongst people, which would get them a good brand name. This means that they will be well trusted, which would lead to more ~~custs~~ them attracting more customers, which would result in ~~an~~ more income for their business.



The candidate has divided their response into two paragraphs. The first impact is accurate and three linked strands are built off it. The second impact is also accurate and four linked strands are built from it. Thus, the candidate has more than surpassed the requirement for five logical linked strands of development and can be awarded Level 3 for 'Analysis' or 'AO3a'. Unfortunately the response is generic and no attempt is made to use the case study or extract contained in the source booklet. Therefore, Level 0 was awarded for 'Application' or 'AO2'. Overall, the response scored 3 marks.

(b) Analyse the benefit to Ocado of good customer service.

(6)

Good customer service gives a competitive advantage over rivals such as ASDA. ~~Customers usually demand~~ Customers usually demand convenience or ~~having~~ getting hold of their products quickly as possible and by Ocado having groceries delivered to each customer's ~~needs~~ home meet this need. This will make customers feel cared for as they know that their ~~can be~~ <sup>needs</sup> are being met by Ocado, increasing customer loyalty. This ~~will~~ encourages repeated purchase, and their sales can ~~per~~ perhaps rise even more than 40% in the following years. This will help them to make profit and expand. Also, good customer service can spread ~~good~~ word of mouth advertisement among customers more quickly. They will be able to achieve a higher rating ~~than~~ an excellent rating than 62%. This means they will be able to produce large ~~sales~~ volumes of sales, and help to survive in the current food market.



As a contrast, this candidate has decided to primarily focus on one benefit, and has managed to build the required five logical, linked strands of analysis. Then a second benefit is provided, adding more unnecessary 'Analysis' or 'AO3a'. Thus, Level 3 has been achieved for this Assessment Objective. With regards 'Application' or 'AO2', the candidate has used 'Asda', 'groceries', '40% rise in recent years', 'rating of 62%' and 'food market'. Thus, the answer is well contextualised and the candidate was adjudged to have reached Level 3 in this skill area as well. Overall, the response was awarded 6 marks.

### Question 5 (a)

This should have been a relatively straightforward question. It involved calculating a simple average. Generic quantitative skills can be tested and a list of them is provided in Appendix 2 on page 31 of the Specification document. Again, once the correct answer is seen on the answer line, 2 marks are automatically awarded and the workings are not even looked at. The only time workings are considered is when the answer on the answer line is incorrect.

- 5 Table 2 contains information about the price of an annual supermarket delivery pass in 2020.

	£
Asda	55
Morrisons	65
Ocado	110
Sainsbury's	60

**Table 2**

(Source: adapted from <https://www.lovemoney.com/guides/3444/cheapest-supermarket-online-delivery-deals-asda-tesco-iceland-cost>)

- (a) Using the information in Table 2, calculate the average price of an annual supermarket delivery pass.

(2)

$\begin{array}{r} 110 \\ 65 \\ 60 \\ 55 + \\ \hline 270 \\ \hline \end{array}$	$\begin{array}{r} 067.5 \\ 4 \overline{) 270.0} \end{array}$	$\rightarrow \text{£} 67.50$
		$\text{£ } \underline{\quad 67.50 \quad}$



This response scored 0 marks. However, what is worrying about this response is that the candidate appears not to have had a calculator, or has not been provided with one by their centre.  $£110 + £65 + £60 + £55 = £290$  not  $£270$ . The irritating element is that the manual long division is correct, albeit calculated from an incorrect aggregation of the four delivery passes. This could so easily have been a 2 mark response. Sadly, and with regret, the candidate scored 0 marks overall.



If you do not have a calculator, please ensure that you make the invigilator in the exam room aware. They will provide you with one.

- 5 Table 2 contains information about the price of an annual supermarket delivery pass in 2020.

	£
Asda	55
Morrisons	65
Ocado	110
Sainsbury's	60

**Table 2**

(Source: adapted from <https://www.lovemoney.com/guides/3444/cheapest-supermarket-online-delivery-deals-asda-tesco-iceland-cost>)

- (a) Using the information in Table 2, calculate the average price of an annual supermarket delivery pass.

(2)

$$\frac{55 + 65 + 110 + 60}{4} = 72.5$$

£ 72.5



The answer is £72.50, but £72.5 was applicable for both marks. Note, that the workings are never looked at by an examiner, once an acceptable correct answer is seen on the answer line. Overall, the candidate was awarded 2 marks.

## Question 5 (b)

This was the hardest of the four 'Calculate...' 2 mark questions that are contained within the exam paper. To get the correct answer, the formula to calculate 'gross profit' had to be manipulated to reach the value for 'sales revenue'. This proved to be difficult for the majority of candidates with many subtracting 'Gross profit' from the 'Cost of sales'. The correct answer was £1756.6m and involved 'Cost of sales' being added on to 'Gross profit'. The majority of candidates got this question wrong, through their inability to manipulate the formula.

Table 3 contains information about Ocado's financial performance in 2019.

	£ million
Cost of sales	1 164.8
Gross profit	591.8
Other operating expenses and interest	916.9
Net profit	(325.1)

**Table 3**

(Source: adapted from <https://www.ocadogroup.com/investors/annual-report-2019>)

- (b) Using the information in Table 3, calculate Ocado's sales revenue in 2019.  
You are advised to show your workings.

(2)

$$\begin{aligned} & \cancel{916.9 + 591.8 = 1508.7} & 1164.8 + 591.8 \\ & & = 1756.6 \\ & 1508.7 - 1164.8 = & \\ & & \text{£ } 1756.6 \text{ million} \end{aligned}$$



The correct answer was provided by the candidate on the answer line, therefore the candidate was awarded 2 marks.

Table 3 contains information about Ocado's financial performance in 2019.

	£ million
Cost of sales	1 164.8
Gross profit	591.8
Other operating expenses and interest	916.9
Net profit	(325.1)

**Table 3**

(Source: adapted from <https://www.ocadogroup.com/investors/annual-report-2019>)

- (b) Using the information in Table 3, calculate Ocado's sales revenue in 2019.  
You are advised to show your workings.

(2)

~~Revenue = Quantity × Cost~~

$$1164.8 - 591.8 = 573$$
$$1164.8 - 916.9 = 247.9$$

£ 248 million



**ResultsPlus**  
Examiner Comments

This was typical of the kind of scattergun approach that examiners were faced with. This particular candidate has offered two calculations, neither of which are correct. The candidate was awarded 0 marks.

## Question 5 (c)

This question proved quite troublesome since a reasonable number of candidates failed to pick up on the use of the term 'warehouses' within the question and then went on to generate an answer which was focused around food manufacturing. Most candidates focused on new technology 'improving the speed of packing and distribution' and also Ocado's 'ability to reduce the number of employees in the warehouse allowing a reduction in unit costs'.

(c) Analyse the benefit to Ocado of using new technology in its warehouses.

(6)

Ocado would benefit from having new technology as it would allow them to pack orders quicker ~~and~~ quicker so they would be able to fulfill more orders in the same amount of time. This means they would be keeping the labour ~~costs~~ costs down as they would pay less for the new technology ~~overall~~ in the long run than the same amount of employees wages. This means the costs are down and production is higher resulting in a higher ~~high~~ higher amount of profit for Ocado. ~~Then~~ This also means they can fulfill the ~~within~~ within the hour delivery they ~~to~~ wanted to do.



The candidate has decided to focus on one benefit. Four linked strands are built off a valid benefit. This allowed the candidate to reach Level 2 for 'Analysis' or 'AO3a'. With regards 'Application' or AO2', the candidate has only used the extract in the Source Booklet once mentioning 'one hour delivery' right at the end of the response. For this Assessment Objective, the candidate was awarded Level 1. Taking a line of best fit, the response was placed in Level 2 and 3 marks were awarded.

(c) Analyse the benefit to Ocado of using new technology in its warehouses.

(6)

Ocado has used robots to pack customer orders. One benefit of this is although they would cost money to buy, investing in robots is much cheaper than hiring employees to pack customer's grocery orders as ~~it is a technical job~~ as you don't have to pay robots a wage. Therefore making this use of technology advantageous as profits will be higher in the future due to less costs for employee wages.

Another benefit to using robots is it is very time efficient. Because sales rose 40% in 2020, Ocado would need a very quick flow of business to keep up for demand. And because the robots can pack customer orders in less than 5 minutes, they can keep up with demand. The benefit is that they were able to process an extra 30,000 orders per week in 2020 which therefore would've resulted in higher ~~sales~~ profit for Ocado.



The candidate has chosen to consider two separate benefits in two paragraphs. Three linked strands are built off the first accurate benefit. Note, how the strand regarding 'wages' is repeated. Therefore, this can only count once as a linked strand. In the second paragraph another valid benefit is given with another three logically developed linked strands. As a result, the response can reach Level 3 for 'Analysis' or 'AO3a'. Regarding 'Application' or 'AO2' the candidate has mentioned 'robots', 'grocery', 'sales rose 40%', 'less than 5 minutes' and '30,000 orders per week in 2020'. Thus, the candidate made a varied use of the extract in the Source Booklet, and contextualisation was evident all the way through the answer. As a result, 'Application' or 'AO2' was also adjudged to also be in Level 3. Overall, the response reached Level 3 and 6 marks were awarded.

## Question 6 (a)

A 'State **one**...' question requires students to make a statement in their answer and because the question contains 'Ocado...', there must be some evidence of 'Application' or 'AO2' to score the mark on offer. Most students struggled to offer an influence and instead stated a 'pricing strategy' which did not answer the question set. Those candidates that could offer an influence on the pricing strategy used by 'Ocado...', often could not score a mark due to the lack of any 'Application' or 'AO2' relating to the grocery industry or Ocado's operations.

6 (a) State **one** possible influence on the pricing strategy used by Ocado.

(1)

~~demand for their goods~~  
the quality of their groceries.



'Quality...' is a possible influence on Ocado's pricing strategy and then the term 'groceries' adds the 'Application' or 'AO2'. 1 mark was awarded.

6 (a) State **one** possible influence on the pricing strategy used by Ocado.

(1)

~~the ~~data~~ ~~graph~~ of~~  
the <sup>income</sup> income of the customers they sell  
groceries to.



**ResultsPlus**  
Examiner Comments

This response scored 1 mark. We have '**one** possible influence on the pricing strategy used by Ocado...' and then mention of the term 'groceries' which adds the 'Application' or 'AO2'. 1 mark was awarded.



**ResultsPlus**  
Examiner Tip

A 'State **one**...' question requires 'Application' or 'AO2' within the response to qualify it as a scoring response. Writing a generic answer ensures that '0 marks' are always scored in this style of question.

## Question 6 (b)

This question was another 'Outline **one**...' question. To score 1 mark was relatively easy. Candidates had to provide a drawback of using just in time (JIT) stock control. A majority of students focused on 'late deliveries' and 'supplier unreliability'. However, to score the second mark, there must be some logical development of the drawback **AND** 'Application' or 'AO2' contained somewhere within the entirety of the response. More often than not, candidates struggled to attain this second mark.

(b) Outline **one** drawback to Ocado of using just in time (JIT) stock control.

(2)

If they use JIT stock control they will not be able to keep up with sudden surges in demand



The candidate has provided a drawback of using just in time (JIT) stock control through '...they will not be able to keep up with sudden surges in demand.' (1 mark). However, no attempt has been made to develop this drawback and there is nothing within the response that contextualises it. Therefore, the second mark is impossible to obtain. Overall, the response scored 1 mark. This response was typical of the answers marked by examiners.



Practising this style of question is of paramount importance. Once the style has been mastered there is an easy route to 2 marks. More often than not, lack of practice results in only 1 mark being scored.

(b) Outline **one** drawback to *Ocado* of using just in time (JIT) stock control.

(2)

One drawback is if there was a sudden increase in demand for bananas *Ocado* wouldn't be able to provide. This leads to shoppers going to *Ocado's* competitors like *Asda*.



By way of contrast, this is an answer from a candidate who has been well versed in examination technique. A drawback has been given through '...if there was a sudden increase in the demand for bananas *Ocado* wouldn't be able to provide.' (1 mark). Critically, this drawback also contains 'Application' or 'AO2' through the use of the word 'banana'. However, the second mark is now determined by whether or not there is development of the drawback. This is seen in the next sentence where the candidate states 'This leads to shoppers going to *Ocado's* competitors...' (1 mark). The reference to 'Asda' at the end of the response adds extra unnecessary 'Application' or 'AO2' since this requirement has already been met through the word 'banana'. Overall, the response scores 2 marks.



## Question 6 (c)

There still appears to be ingrained misconceptions as to how to approach the 'Justify' question. A number of students simply developed the benefits of both options within their answer. This approach **does not** naturally lead to any 'Evaluation' or 'AO3b', unless the candidate starts to contrast the magnitude of the importance of the two benefits. At GCSE level, this is a skill that is tricky to master, and from this year's marking experience, it was seldom seen. As Chief Examiner I have no idea where this approach has come from, but it seems to be a piece of 'baked in' examination technique that some centres seem insistent on using. Sadly, this is to the significant detriment of their students.

On the question of options, whilst there can never been one preferred approach, surely the safest and easiest route for candidates is to pick an option, and consider the pros and cons of that option, and then come to a conclusion that adds extra evaluation, rather than a repeat of what has already been written elsewhere in the answer. If this is done with application throughout and there are 5 linked strands of development – then 9 marks should be accessible to the candidate. Remember, there is no requirement for candidates to consider both options as part of their response.

This particular question proved to be straightforward and accessible compared to the other 'Justify...' question in 7(d). The main problems tended to be linked strands being offered which had nothing to do with increasing market share. Thus, some candidates automatically assumed that the question was about which option increased profits by the largest degree.

(c) Justify which **one** of these two options Ocado should choose.

(9)

Option 2: expanding its product range.

Ocado should choose this option because increasing its product range will entice more customers as Ocado may sell its own range where you can't get any where else offering a USP. Also it decreases competition as customers are able to buy even more of their groceries in one place which is beneficial to customers as they can receive their goods all at once. This leads to <sup>Ocado having a</sup> competitive edge over other food companies which will increase its market share online as customers are more likely to buy from Ocado if it has an increased range and unique products.

Ocado's delivery service is already very fast and customers are satisfied so offering a faster delivery service will not change much for customers. Doing this may add increased pressure on the business and its suppliers in order

to get ~~del~~ deliveries dispatched on time. This could lead to its machinery and robots being overworked and breaking down which would ~~cause~~ cause a huge drop in revenue as they would need to repair expensive equipment while still trying to get ~~more~~ deliveries on time. Therefore expanding its product range seems the most beneficial to increase its market share.

(Total for Question 6 = 12 marks)



This response focuses on Option 2 in the first paragraph and then switches to the drawbacks of the discarded Option 1 in the second paragraph. Considering the drawbacks of the discarded option does not generate 'Evaluation' or 'AO3b', it just provides further support for the chosen option. Across these two paragraphs, five linked strands are provided, allowing the response to reach Level 3 for 'Analysis' or 'AO3a'. Regarding 'Application' or AO2' we have 'groceries', 'food companies' and 'robots' and evidence for this Assessment Objective was adjudged to be in Level 2. Sadly, no evaluation was present in the response, so the candidate received Level 0 for this skill area. Overall, the response was placed in Level 2 and 5 marks were awarded.

In order to increase its share of the online grocery market, Ocado has considered two options:

① ↑ customer sat

**Option 1** offering a faster delivery service ② expensive to introduce

**Option 2:** expanding its product range. conc:

(c) Justify which **one** of these two options Ocado should choose.

(9)

I think ocado should chose option 1, this is because by offering a faster delivery service their logistics are improving. Therefore, their customer service standards are increasing leading to an improvement in brand reputation increasing their rating of 62% excellent further. This would lead to a positive word of mouth being spread, lead therefore increasing the number of customers buying Ocado's grocery products.

However, quicker delivery times can be expensive to introduce and ocado is considering introducing one hour delivery times. This would lead to an increase in ocado's costs therefore reducing their profit margins, <sup>potentially</sup> leading to a decrease in money available for further reinvestment. the inability to pay for <sup>things</sup> ~~costs~~ such as wages, therefore may lead to bankruptcy.

In conclusion, I picked option 1 as ocado is an online retailer only and therefore customers are going to be more satisfied with increased delivery times than new product range as Ocado's USP is delivering

all of their orders and being online only. Moreover, I didn't pick option 2 because customers already have developed trust with already existing products and may be unlikely to buy Ocado's own range. ~~However the~~ Therefore, customers are more likely to be attracted to an online grocery shop with faster shipping times, leading to an increase in the online marketing share. However, it depends on how well their shipping times will be compared to their competitors: Asda.

(Total for Question 6 = 12 marks)

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**TOTAL FOR SECTION B = 30 MARKS**



This candidate chose Option 1 and stayed tightly focused around this option, considering the pros and cons of their chosen option. In the first paragraph the candidate makes a point '...their logistics are improving...' which is then followed by four logical linked strands of development. Then, in the second paragraph, we have 'Evaluation' or 'AO3b' with arguably three further linked strands of development, although the point about 'bankruptcy' is arguably too strong. This is then followed by a conclusion which uses the 'it depends rule...' but it was unconvincing in its use. Thus, the response was adjudged to have reached Level 3 for 'Analysis' or 'AO3a' and Level 2 for Evaluation of 'AO3b'. For 'Application' or 'AO2' the candidate used '62% rating', 'grocery', 'one hour delivery' and 'Asda'. Thus, for this skill Level 3 was awarded. Using a line of best fit, Level 3 was achieved and a mark of 7 was awarded. It is worth pointing out that the final mark does not always come from the aggregation of level awarded from each of the Assessment Objectives. That is only a starting point. Examiners will make a holistic judgement based on the degree to which the candidate's response met each of the level criteria.

## Question 7 (a)

This question is a 'Give **one**...' question. Note, how the question does not make reference to a business from the Section C extract or case study. That is because a 'Give **one**...' question tests 'Knowledge' or 'AO1a'. As a result, no 'Application' or 'AO2' is required to score the mark. What was required was a verbatim or very close stage of the 'sales process'. The five stages are listed in the Specification on page 18. Only verbatim or very close synonyms of the stages were awarded a mark.

7 (a) Give **one** stage of the sales process.

(1)

customer service



The candidate states 'customer service'. This was not deemed close enough to 'customer engagement' to be awarded a mark. 0 marks were awarded.

7 (a) Give **one** stage of the sales process.

(1)

one stage of sales process is good employee product knowledge.



The candidate has given one stage of the sales process which matches what is on the specification by stating 'product knowledge' within their answer. Overall, 1 mark was awarded.

## Question 7 (b)

This was a basic 'Identify...' question that always involves reading off a graph, chart, infographic or table. The correct answer was 'Microsoft'. Almost every candidate scored 1 mark in this question.

Figure 5 shows the market share for each company in the virtual reality headset market in 2018 and 2019.

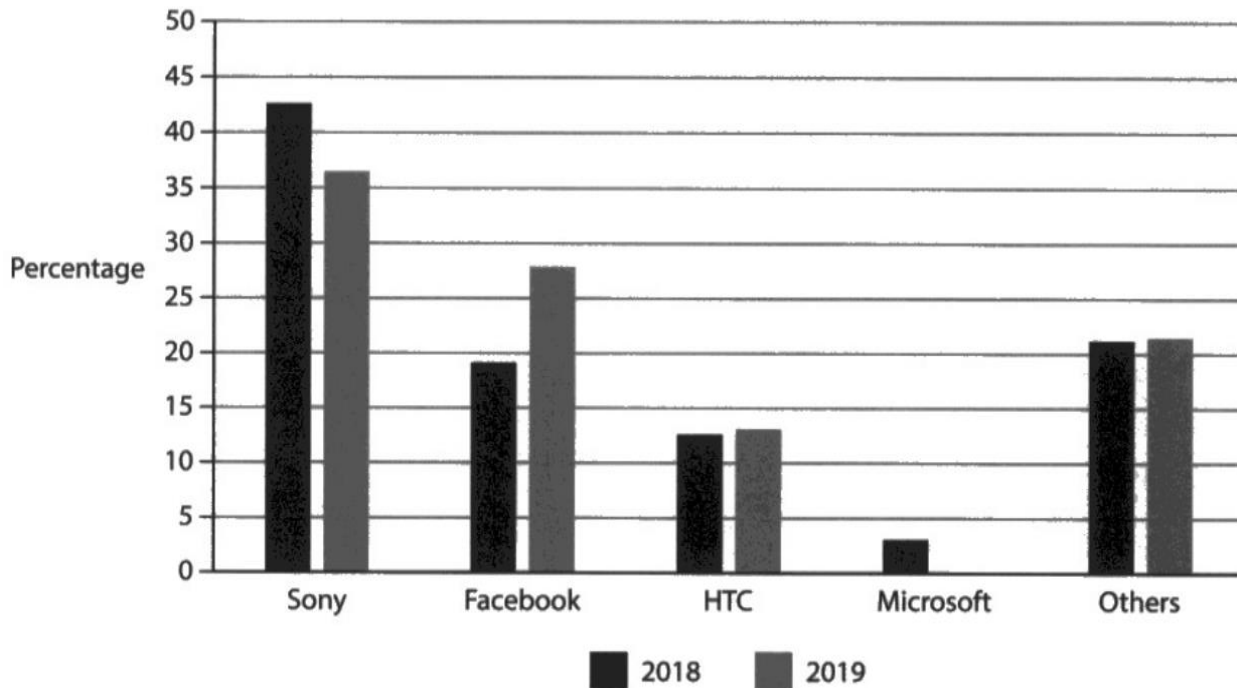


Figure 5

(Source: adapted from <https://www.statista.com/statistics/755645/global-vr-device-market-share-by-vendor/>)

(b) Using Figure 5, identify the company that left the virtual reality headset market in 2019.

(1)

The company that left the Vr headset market in 2019 is Microsoft



I have included this clip because the candidate has written a sentence. A sentence is unnecessary. The candidate would have scored 1 mark by simply writing the word 'Microsoft'. Overall, the candidate scored 1 mark.

## Question 7 (c)

This is another 'Outline **one**...' question. The candidate is required to give an advantage to *Facebook* of becoming a public limited company (plc), develop it, and then provide some 'Application' or 'AO2' somewhere within the confines of the response. Most answers focused on *Facebook*'s ability to 'sell shares on the stock exchange to raise finance'. A small proportion of candidates chose to look at the benefits to shareholders by considering 'limited liability'. This unfortunately did not answer the question unless 'limited liability' was then used to articulate that *Facebook* is more likely to benefit from the successful sale of shares. Of the candidates that took that approach, most did not do that and focused on shareholders not losing their personal assets. These answers scored 0 marks. Most responses scored 1 mark due to lack of 'Application' or 'AO2' within the answer or lack of development built off the correctly stated advantage.

(c) Outline **one** advantage to *Facebook* of becoming a public limited company (plc).

(2)

They would be able to raise  
share capital ~~for~~ if they needed  
money.



This response gives an advantage through 'They will be able to raise share capital if they needed money.' (1 mark). However, there is no development or 'Application' or 'AO2' provided. Thus, the response scored 1 mark. This answer was typical as to what most students wrote for this question.

(c) Outline **one** advantage to *Facebook* of becoming a public limited company (plc).

(2)

One advantage is that it is easier to raise capital by selling shares on the stock market. Therefore, Facebook may use this capital to purchase a new company like Snapchat to improve its external growth.



This response states an advantage through '...it is easier to raise capital by selling shares on the stock market.' (1 mark). This is then developed through '*Facebook* may use this capital to purchase a new company like SnapChat to improve its external growth.' (1 mark). The reference to improving 'external growth' generates the required development and the reference to 'SnapChat' generates the required 'Application' or 'AO2'. Thus, a developed answer which contains application can access 2 marks. Overall, 2 marks were awarded for this response.

(c) Outline **one** advantage to Facebook of becoming a public limited company (plc).

(2)

There is a chance of takeover if  
a ~~shareholder takes more~~  
than 50% of shares.

They have access to share capital which  
gives them access to significantly ~~more~~ more  
finance to grow ~~and~~ and  
~~also~~ develop products like  
the virtual reality headset.



This is another example of an answer that scored 2 marks. The candidate provides a valid advantage 'They have access to share capital which gives them access to more finance...' (1 mark). This is developed through '...more finance to develop products like the virtual reality headset.' (1 mark). The development contains application linked to the extract, allowing the second mark to be awarded. Overall, 2 marks were awarded.

## Question 7 (d)

This question was the second of the two 'Justify...' questions that appear on the paper. It was by far the most badly answered. Internal and external growth were mixed up with internal and external recruitment and also internal and external sources of finance. Thus, there were a large number of very long answers that were awarded 0 marks for not answering the question. Those candidates that did answer the question understood that internal growth involved moving into new markets, advertising, developing new products etc. and external growth involved merger and takeover activity. A minority of candidates confused internal and external growth with selling in one country and exporting abroad. This question, towards the end of the paper, really did discriminate between candidates and their understanding of the specification concepts under test.

In order to increase its profit, Facebook is considering two options:

**Option 1:** grow internally. — <sup>shares</sup>

**Option 2:** grow externally. — <sup>loans</sup>

(d) Justify which one of these two options Facebook should choose to increase its profit.

(9)

I think Facebook and Mark Zuckerberg should consider internal growth. This is because external growth like getting loans for large sums of money will come with high interest rates, which could ~~prove~~ turn out that the loan investment was not successful, so then if the Facebook was to be negatively impacted by the investment, they would have to give a large sum of money back.

If the business grows internally, the negatives would be Mark Zuckerberg loses a % of his business by selling shares of the business to the public. Because the Facebook is in the maturity stage, Mark Zuckerberg needs a way to increase his user count from 2.5 billion to more and to try and regain more interest into Facebook.

If Facebook decide to allow people working from home, by selling the office, ~~the~~ if the investment doesn't positively impact the business, it wouldn't matter as much because no productivity is lost through working at home, the business won't be hugely impacted and lost its competitive advantage to other companies like Snapchat and Twitter.



This is an example of a candidate that did not answer the question and turned the response into one about sources of finance. Level 0 was awarded for all three 'Assessment Objectives'. Overall, the response was awarded Level 0 and 0 marks were scored. It is worth pointing out that if the response does not answer the question, none of the application provided within the response counts.

In order to increase its profit, *Facebook* is considering two options:

**Option 1:** grow internally

**Option 2:** grow externally.

(d) Justify which **one** of these two options *Facebook* should choose to increase its profit.

(9)

By growing internally *Facebook* would either have to open a new app by *Facebook* or adapt their service in some way eg. creating a new form of social media this is the less expensive way of growth as you will not need large amount of funds for adaptations. However internal growth is a ~~lot slower~~ slower process as advertising campaigns need to be created and another idea needs to be formed.

Growing externally means *Facebook* would have to either merge with another company or takeover another company, this can be expensive but is very fast and can gain a whole new market for expansion of their market share. However an external growth can also lead to more disagreements and clashes with culture as well as possible redundancies for employees.

Overall I would choose Option 2 as *Facebook* has the funds to takeover another company even though it is more expensive it will still expand their market share quicker.



This candidate choose to consider both options within their response. The first paragraph dealt with 'growing internally' and only one linked strand was built off a valid point before that candidate moved onto the evaluation of their point at the end of the paragraph. In the second paragraph the candidate moved on to consider 'growing externally' and another linked strand was built off a valid point, before evaluation was again encountered. Thus, there was limited 'Analysis' or 'AO3a', but enough to reach Level 2. With regards 'Evaluation' or 'AO3b', the candidate did provide some evaluation on both options and then provided a conclusion that did not add anything and merely repeated a general summary of what had been written before. This skill was adjudged to be in Level 2. For 'Application' or 'AO2' we had 'app' and 'social media' in the first paragraph, but after that the answer became generic. This Assessment Objective was placed in Level 1/2. Therefore, using a line of best fit, the response was placed in Level 2. Overall, a mark of 6 was awarded.

In order to increase its profit, Facebook is considering two options:

**Option 1:** grow internally <sup>new products / markets - headsets</sup>

**Option 2:** grow externally. <sup>- merger takeover</sup>

(d) Justify which **one** of these two options Facebook should choose to increase its profit.

(9)

Facebook should choose option 1 to grow internally through new markets such as selling virtual reality headsets. This will attract a new target market worldwide, leading to more customers so a larger market share. Resulting in more sales so therefore a higher profit.

Facebook should choose option 2 to grow externally through takeovers such as buying 60 different companies such as Instagram. This will generate high levels of profit as the websites are already successful. Therefore, Facebook generate revenue from advertising on these websites as customers are already engaged in these websites.

Facebook should grow <sup>externally</sup> ~~externally~~ as they are already successful in doing so by generating advertising revenues of \$70.1 billion. It depends on if Facebook are willing to risk still having a high levels of reliance on revenue from advertising. Most importantly, if they also

want to risk investing the money into social media which is now in the maturity phase so there is a high possibility it will go into decline soon.



This candidate decided to consider both options, which is not a necessary requirement of the question. In paragraph one the candidate considered Option 1 and understood what was meant by that term 'growing internally' and generated three logical linked strands of development. In paragraph two, the candidate then moved on to Option 2. Again, understanding was shown of what was meant by 'growing externally' and two linked strands of 'Analysis' or 'AO3a' were built off the accurate point provided. Finally, the candidate offered a conclusion where a choice was made. The 'it depends rule...' was used, but not in a convincing and developed fashion. Level 2 was awarded for this skill area. With regards 'Application' or 'AO2' the candidate used 'virtual reality headsets' in paragraph one, '60 different companies', 'Instagram' and 'websites' in paragraph two and '\$70.1bn' in the final paragraph. Thus, Level 3 was awarded for this Assessment Objective. Overall, the response was placed in Level 3 and 8 marks were awarded.

## Question 7 (e)

This question proved to be highly accessible. By virtue of nothing other than pure luck, it was written in 2019 before the global pandemic, and a result then became very relevant in 2023. Therefore, many students through their own experiences, knew what it was like to work remotely from home and the benefits and frustrations that it brought. As a result, there were some very good answers written. Most candidates tended to focus on 'attracting a larger global talent pool of employees' or 'reducing the fixed cost of expensive office space' and the 'impact on productivity of working remotely'. If there was a drawback to this question, from a candidates' perspective, it came from a lack of 'Application' or 'AO2'. This question tested all four skill areas of 'Understanding' or 'AO1b', 'Application' or 'AO2', 'Analysis' or 'AO3a' and 'Evaluation' or 'AO3b'. To reach Level 3 overall, a candidates' answer had to be convincing across all of these Assessment Objectives.

- (e) Evaluate the impact on *Facebook* of its decision to allow its employees to use remote working from home. You should use the information provided as well as your knowledge of business.

(12)

facebook offering this allows employees to feel more comfortable and therefore more happy in the job they are doing, also since covid business owners have started to understand that there is no difference between the two, it's just more expensive to come into work and for a business to provide a place to work. Employees working from home helps benefit the business as well as the employer.



This response was a basic attempt to answer the question, perhaps due to poor time management. The candidate makes two points and the second one has a strand of development. As a result, for 'Analysis' or 'AO3a' the answer was placed in Level 1. There is some basic 'Understanding' or 'AO1b', allowing another Level 1 judgement to be made. The response is devoid of any 'Application' or 'AO2' and 'Evaluation' or 'AO3b', resulting in a dual Level 0 judgement for these two skill areas. Overall, the response was placed in Level 1 and 2 marks were awarded. A response like this shows the consequences of running out of time.



Spending too much time on earlier questions becomes costly at the end of the paper, if you struggle to finish. You should be operating at a speed of 70 seconds per mark during an exam that takes 1 hour 45 minutes to complete.

(e) Evaluate the impact on Facebook of its decision to allow its employees to use remote working from home. You should use the information provided as well as your knowledge of business.

(12)

Productivity is defined as the amount of output per timeframe or worker.

One positive impact is Facebook do not need as much office space <sup>for their programmes to use.</sup> This means that they will have to pay less rent. ~~This~~ This will reduce running costs. This should lower the amount of sales of adverts Facebook need to break even. This should raise ~~the~~ Facebook's profit levels.

One negative impact is ~~Facebook~~ communication between workers may become more difficult. This is because ~~workers~~ to communicate, employees may have to send emails, and then wait for a response. This ~~would~~ <sup>could</sup> lead to slower ~~work~~ working in general. This would lower productivity. This could mean that updates to social media sites may take longer. This may lower customer satisfaction, making them switch to competitors such as Snapchat.

Overall, Facebook's ~~short~~ <sup>benefit</sup> decision should ~~help~~ <sup>help</sup> Facebook, especially due to them attracting talented ~~people~~ people who cannot afford to live in expensive places. However, success

depends on whether Facebook are correct about in ~~the~~ their belief that ~~profit~~ production will not fall. This is because if they are wrong, lower production could ~~also be more~~ ~~do~~ outweigh <sup>the</sup> gains of lower running costs.



This was a good answer. It considered the positives and negatives of working remotely. In the second paragraph, a benefit to Facebook was considered with three linked strands. In paragraph three, a negative impact was developed with over four logical, linked strands of development. Thus, the 'Analysis' or 'AO3a' requirement had been met to reach Level 3. With regards 'Application' or 'AO2' the candidate mentions 'programmers' in paragraph 1, 'social media' and 'Snapchat' in paragraph 2. However, the final conclusion was generic. Thus, Level 2 was awarded for this skill area. The overall level of understanding reached Level 2 at an holistic level for 'AO1b'. With regards 'Evaluation' or 'AO3b', there was a paragraph of explained evaluation and quite a nice conclusion that went beyond a 'it depends rule...' statement. Hence, 'Evaluation' or 'AO3b' was awarded Level 3. Taking a line of best fit, the response was placed in Level 3 and the examining team considered 10 or 11 marks. In the end, the candidate was given the benefit of the doubt and 11 marks were awarded.

## Paper Summary

The feedback from this year's Examiners' Report is clear. To allow improved candidate performance, centres should instruct and guide candidates towards:

- ◆ Not repeating the question in the first line of their response – it wastes time and allows no extra marks to be scored.
- ◆ Ensuring that 3 mark 'Explain **one** ...' questions are not 'over-engineered'. 3 marks can be obtained in as few as three sentences.
- ◆ Ensuring that formulae are learnt – 'Calculate' questions are worth 8 marks per examination paper.
- ◆ Ensuring that 'linking words/terms' are used in answers, such as 'thus', 'therefore', 'because' or 'as a result' to create a 'firebreak' between linked strands of development.
- ◆ Recognising the importance of including context/application in 'Outline...' questions as a way of scoring marks.
- ◆ Realising that 'Justify' questions do not require the consideration of both options, and that some structures can make it considerably harder to demonstrate the evaluative skill.
- ◆ Recognising that all questions are marked according to the Assessment Objectives (AOs) that they are designed to test. A 'good answer' is not necessarily a 'good answer' unless it satisfies the Assessment Objectives (AOs) that are associated with the command word that was used in the question. Often the skill of 'Application' or 'AO2' is missing from some analytically very strong answers which limits a candidate's scoring ability.

## **Grade boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

