



Examiners' Report

Principal Examiner Feedback

January 2019

Pearson Edexcel International IAS in Business
Studies (WBS02)

Unit 2 Business Structures and Processes

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Introduction

This was the last sitting of the paper in January with a reduction in the number of students compared to 2018. The paper was split into 2 sections: Section A had 6 supported multiple choice questions (SMC) and Section B had a total of 7 questions.

SMC:

- Students can only access 3 marks for part (b) if they have part (a) correct
- Students are able to gain 1 Knowledge mark for a definition which are listed in the mark scheme for each question.
- Students are able to gain up to 2 marks for a fully explanation of the distracters (incorrect answers)
- Students **MUST** explain why their answer for part (a) is correct to be able to access all 3 marks for part (b) i.e. a definition and 2 distracters would still only be worth 2 marks if there is no explanation of why part (a) is correct.
- Students must explain **WHY** the distracters are incorrect.

Question 1

This SMC question involved students having to explain why reducing the price of shoes with price elastic demand would be the best way to increase revenue for the business. Many students were able to get the correct answer for part (a). Examiners were looking for a definition of sales revenue for the Knowledge mark followed by any logical reason why option D would increase revenue. Many students did only repeat their answer for part (a) and examiners needed to see further development in order to award additional marks. Again, for marks to be awarded for the distracters, examiners were looking for fully developed reasoning rather than a statement saying that this is incorrect i.e. examiners wanted to know why a reduction in advertising would result in a fall in revenue with references to awareness rather than stating 'this is incorrect as this would reduce revenue'.

Question 2

Many students were able to score full marks for part (a) so could access all 3 marks for part (b). Marks were awarded for showing the correct formula for cost variance (Actual – Budget) and again, there were many students who were reversed this formula so did not fully understand why this was a favourable figure and instead put 1700 – 1400. In this case, only 2 marks were awarded as examiners were looking for 1400 – 1700 to show why the answer was favourable and not adverse.

Question 3

This has proved to be a popular question with many students able to get part (a) correct. Many students were able to define capacity utilisation for 1 mark. Examiners were looking for references to an increase in workforce productivity would result in an increase in output for Apple. Again, for the distracters, the explanation of why was often

missing and more development is needed to gain these additional marks.

Question 4

This proved a popular question with many students able to score full marks for part (a). Examiners rewarded an accurate definition of JIT, and then looked for the development as to why there is a reduction in the need for buffer level of stocks rather than the benefits of JIT. For the distracters, examiners were looking for a full explanation as to why these were incorrect. The key to gaining distracter marks is to ensure that answers are fully developed and that they are not just quickly dismissed.

Question 5

Many students were able to get part (a) correct and gave a detailed definition of the term decentralised organisational structure. Examiners rewarded students who made references to the fact that motivation is likely to increase due to employees being valued or being part of the decision making within the hotel. Many students were able to fully explain the distracters so gained additional marks. Overall, examiners were impressed with the use of correct business terminology to answer this question.

Question 6

This proved to be a very popular question with most students being able to get part (a). Examiners rewarded the definition of sales forecast and looked for reasons why an incorrect sales forecast resulted in a sell out of the stock of lipkits. The distracters had to be fully explained and linked to why they would not result in a sell out of the stock of lipkits. Again, this examiners found too simplistic responses for the distracters in many cases.

Section B

For the IAL Business course, there is an emphasis on **Application/Context**. Students must **use** the evidence rather than just lifting figures from the case study. Using the name of the company – Amazon in this case or context from the stem, is not considered to be **Application/Context**.

There must be **Application/Context** to access **Level 4** otherwise the top of **Level 3** will be awarded. If there is Analysis but no **Application/Context**, then the top of **Level 2** will be awarded. This has definitely had an impact on the levels achieved this series.

Question 7

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. It was pleasing to see that many students were able to give 2 possible reasons for Amazon using a range of distribution methods. Some

students did give generic answers which were not applied to Amazon so did not gain the 2 Application marks. Some students just copied out large chunks of the evidence and for this to be rewarded as Application, it must be used in relation to the Knowledge and Analysis points. For Analysis, examiners were looking for the consequences of the the range of distribution methods in terms of sales, market share, brand image or cost.

Question 8a

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Some students were able to gain the 2 Knowledge marks from defining promotion and on the whole this proved to be very popular in terms of scoring Knowledge marks. Many students were able to give two possible methods and were then able to link to why Amazon would use these methods to raise awareness of the new Instant Pickup Points. Often, Application and/or Analysis was lacking for this question.

Question 8b

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. For this question, the Knowledge marks were available for the two reasons why Amazon gives to charities. Many students were able to give two reasons but often Application was missing to gain full marks for this question. When Application was present, it was often 'standalone' and not used to support the Knowledge or Analysis.

Question 9a

This question was marked using a points based question with 1 Knowledge mark, 1 Application mark and 2 Analysis marks. Many students were able to gain 1 Knowledge mark for giving a factor which could affect the productivity in the warehouses. For this question, the Knowledge mark is **NOT** for defining the key term. However, many students gave generic responses so lost the 1 Application mark. Examiners were looking for references to use of technology, payment methods, use of training – anything which would affect the productivity was rewarded. Many students were able to score at least 2 marks for this question.

Question 9b

This was marked using a Levels of response mark scheme (LOR). Many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. It was evident that many students were unable to understand the concept of Kaizen and examiners saw many blank responses for this question. In order to access Level 4, there must be **evaluation in context** which was often missing and generic evaluations were restricted to the top of Level 3 – 6 marks. Often examiners found great context on the

benefits Kaizen but then the alternative argument was not in context so restricted the mark to 7 rather than 8 marks.

Question 10

This was marked using a Levels of response mark scheme (LOR). Again, many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. Context was the issue again on this question and some students were writing generic evaluations of the use of different motivational techniques which could have applied to any business. This was despite Evidence C having lots of context which could have been used to support both financial and non-financial methods so the top of Level 3 was awarded in many cases. In order to access Level 4, there must be **evaluation in context**. Examiners found the counter-argument lacking in depth and often lacked context which restricted marks for some students.

Question 11

This was marked using a Levels of response mark scheme (LOR) with a large proportion of the marks for Analysis and Evaluation regarding whether internal or external recruitment would be most suitable for Amazon as it expands into the UK. This was on the whole answered well and many students were able to use rather than copy the evidence to support their evaluations. To access the higher evaluation marks, context has to be well used and a conclusion always enhances a response.

Summary

Based on their performance on this paper, students should:

- Ensure all SMC questions are completed for part (a) otherwise this will restrict part (b) marks to a maximum of 2 marks.
- Always define a key term (either from the stem of the question or in some cases, the correct answer).
- Fully explain the correct answer otherwise you will restrict your mark to 2 marks.
- Fully explain why the distracters (incorrect options) are incorrect and not just define them.
- Read the Evidence very carefully and ensure you spend enough time reading through the different pieces of Evidence.
- Ensure you know what is meant by the command words – Explain, Analyse, Assess and Evaluate require different skills to be shown.

- **USE** the Evidence to contextualise your response rather than just lifting data or saying the name of the business.
- Assess or Evaluate – this is looking at both sides and coming to a conclusion.
- In order to enter Level 4, your response must be in context.
- Ensure that your time management allows you to answer all questions on the paper, especially the Q11 which is worth 14 marks.

