

Examiners' Report/  
Principal Examiner Feedback

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Pearson Edexcel International  
Advanced Level in Business Studies  
(6BSA2) Paper 01 Managing the  
Business

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# **International Advanced Level Business Studies (6BSA2)**

## **January 2014**

### **General comments**

Although this paper was taken by international students only, it followed the style and content of all the other papers in the series. Section A consisted of six supported multiple choice questions and was worth 24 marks. This section proved difficult for students, even when the answer to part (a) was given correctly. Section B was based on the internet retailer Amazon and proved accessible to students. Performance on this section was variable: students performed relatively well on question 10 which was based on recruitment but relatively poorly on question 11, which was based on Kaizen. Although answers to question 12 (the final question) lacked good evaluative technique, there was little evidence that students were stifled by time constraints.

### **Specific comments**

#### **Question 1**

Many students were able to judge that changing market conditions would be an example of why the corporate events company failed and a similar number were able to provide a definition of sales revenue but after this students struggled to explain the reasons put forward and, in particular, were unable to reason satisfactorily why the distracters were incorrect. This was a common issue on part (b) of Section A.

#### **Question 2**

Students were required to have a working knowledge of Maslow's hierarchy of needs and whilst many selected, and explained, the correct answer of self-actualisation, few were able to gain three marks from a positive explanation of why Google should employ such a strategy. Even fewer were able to explain why hygiene factors were not an example of motivation.

#### **Question 3**

This question proved to be beyond a large number of students. The correct response was not often chosen. Students were required to pick out a response that was an exception; i.e. three of the responses were correct and the incorrect one had to be selected and explained. Few students were able to say that cutting costs, whilst increasing margins and leading to higher profits, would not in itself lead to higher sales revenue.

#### **Question 4**

This question, on capacity utilisation, had many responses where students were able to define capacity utilisation and realise that Tata Steel could increase its capacity utilisation by expanding into the Chinese market but a failure to build on knowledge aspects by, for example, linking the answer to the context of increasing the capacity utilisation from its present level of 71 per cent, prevented further scoring.

#### **Question 5**

This question, based on extension strategies and using Lego as the context, brought many disappointing responses with a significant number of students unable to clearly define what an extension strategy was. Again students had difficulty when faced with a question that asked them to pick out an exception. In this case Lego bricks was the exception as they were the original product and couldn't be an extension strategy.

#### **Question 6**

Most students were able to see that with a population of over 1 billion, India would have few problems in finding suitable workers for its agricultural industry. Students often chose to try to explain distracters but were spectacularly unable to do so. No marks can be awarded, for example, for suggesting that because there was an abundance of workers, that farming is not suitable to capital intensive methods. Students must recognise that a variety of methods can be used but that in this instance it is most likely, given the prevailing circumstances (an abundance of labour), that labour intensive methods are best.

#### **Question 7**

Where students were willing to use the case study evidence, there was ample opportunity to gain three or four marks. Using information on testing applicants for suitability was a good way of explaining how this might be used to help Amazon keep costs down. Students appeared to understand the question but explanation of points, in context, was weak.

#### **Question 8**

Once again, better students were able to use the case study material to explain that hand held computers, directing employees towards the most efficient routes around Amazon's factory, was a feasible way to gain marks, in context, to outline how resource wastage could be minimised. Where this was followed by analytical comment related to the number of workers needed overall or to the number of tasks carried out, then the full four marks could be awarded.

### **Question 9**

A majority of students were able to name one or two reasons why Amazon chose to sell online rather than from high street shops. The most popular reasons were to widen the market base and to reduce overhead costs. Linking these reasons to increasing profits appeared to be more difficult. Indeed a failure to use the evidence at all prevented many students from scoring more than half marks.

### **Question 10**

It was pleasing to see students attempting to balance out their answers with advantages and disadvantages of using employment agencies to help Amazon recruit staff. Consequently many students reached the lower end of level three without too many problems. What was less pleasing was the generality of the answers. Where students sought context, high marks were readily achievable but too often students decide to answer without any reference to Amazon; consequently they were held back no matter how good their knowledge base.

### **Question 11**

Answers to this question fell into two specific groups: (i) those answers where students understood the concept of Kaizen and (ii) those that didn't. It was disappointing, however, that those who understood the idea of continuous improvement were often unable to relate it to Amazon, whereas those who didn't understand the concept often scored zero. The exceptional student was able to answer in context, e.g. relating their answer to the idea that robots were more efficient than individuals and that their continued use would be more efficient, whilst also noting that the variety of tasks required the use of individuals and that continuous improvement was not always straightforward.

### **Question 12a**

Students invariably understood the importance of branding and this led to many scoring a minimum of four marks out of seven as they were able to explain the need to differentiate a company from another. Answers with one side in context were sometimes found but it was beyond most students to evaluate with both sides in context.

### **Question 12b**

Students were less able to develop an answer that incorporated the idea of niche marketing for Amazon, despite the opportunity available to use the Kindle to do so. Occasionally negative aspects of an answer could be found, for example, Amazon, with over 164 million customers doesn't need to target niches as it is more suited to mass marketing, but rarely was there an awareness of possible sub-sections within that market.

## Summary

Two re-occurring themes can be seen in this paper. On Section A, the failure of students to provide reasoned explanations, either of the correct responses or of distracters, and secondly, in Section B, the failure of students to answer in context. Subsequently my recommendations would be.

- Regular practice by students of the two strands of supported multiple choice questions should be encouraged: i.e. definitions and two positive points to fully explain the answer, and/or, explanations of the distracters, remembering to insert a word such as because, in order to garner explanation marks.
- In the class room, before answering questions, link the relevant contextual element to each part.
- Students will always find at least one question on section A where the requirement is to find the one option that is incorrect. These question types must be practiced more regularly as students struggle with them.
- Questions where students are asked to evaluate must always have a balanced answer. Where this is in context high marks are possible.
- This paper reflects the problems facing real businesses. There is little chance of obtaining high grades if answers do not reflect this by referring to those businesses.

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