



Pearson

Examiner's Report

Principal Examiner Feedback

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Advanced Level
in Business (WBS01) Paper 01

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Section A

All questions in Section A are the Supported Multi Choice Questions (SMCQ).

The vast majority of students were able to identify the correct answer most of the time in part (a). A small number of students did not go on to develop why their answer was correct in part (b). This means they are unable to access further marks for fully explaining their correct choice of answer. A number of students repeated the words from the question or stem in their answers which is not rewarded as application.

A significant number of marks for SMCQs can be gained for explaining why other distracters are wrong. However, these responses need to be fully applied explanations and not just a definition.

For example, students often just state 'X is wrong' and then give a definition which gains no marks. This response needs to be applied in relation to the business or issue in the stem or question. For example, X is wrong because - then explain how or why it does not apply.

In terms of applying the person, business, concept or issue in the question, it is not enough to just mention the name of the business, or quote from the question stem. The student must do something with the information to ensure it is fully applied in some way.

Question 1

There was some confusion by students about the focus on ownership of a sole trader so they were often limited to maximum of 2 marks in approach of their responses. There was a tendency to repeat much of the stem in many responses. Dismissals of distractors generally just gave definitions, which were not applied to Sharon's Sewing.

Most students were aware that the most likely structure was a sole trader although many did not recognise that the most important element of the question related to ownership. As a result, many failed to score as they referred to businesses being run or managed by one person rather than owned. In terms of distractors, many students failed to link the scenario with the form of ownership being described thus preventing them from being awarded a point. The regular reference to a PLC being government funded and run was alarming at this level.

A significant number of students offered the correct response for part (a) but went on in part b to offer a range of advantages of a sole trader rather than focusing on ownership as requested in the question.

Question 2

A significant number of students were not familiar with the definition of sampling referring to it as product testing, test marketing or free samples. Those who correctly identified that this method took a sample of the population to represent the views of the whole were scarce but those that did generally accessed at least 2 marks for part (b).

A large number of students incorrectly by identified secondary research as the correct answer to part (a).

In terms of the distractors many students recognised that interviewing was a form of primary research and so were able to score 1 mark when dismissing distractor B. Understanding of Trade Off appeared weak with few gaining marks by dismissing this.

Question 3

On the whole, this question was well answered by the majority of students. There was a clear understanding of venture capital and why it was the best option in this case (risky/ new busines).

However, there was a tendency to repeat much of the stem in the responses. There were some very generalised applications of venture capital which meant these students could not access full marks.

In answering why the distractors were incorrect, the dismissal of debentures was weak with few students answering this well. However significant numbers recognised that Ohungu was a new business and would not have any retained profit so were able to effectively dismiss distractor D.

Often, the distractors were often just a definition and not always linked back to the question.

Question 4

The majority of students answered this well for full marks

There were a number of responses where 4(a) was incorrectly identified as A, (71.1%) but students then calculated the perfect answer in 4 (b) and did not amend their answer t part (a).

If part (a) is incorrect, then the maximum marks for (b) have to be limited to 2 marks – because this section is explaining why part (a) is correct, or dismissing distractors.

Whilst this question was well answered in the majority of cases, some students failed to score as they used Gross Profit as the figure for Profit for the Year. However, the acceptance of correct part of the formula (22532×100) meant that these students were still able to score some marks. Several students failed to

write out the formula (demonstrating knowledge) thus missing easy marks when they were clearly able to do the hard work and get the answer correct.

A significant number of students did not attempt this question.

Question 5

Most students gained marks for defining competitive pricing and relating it to Tesco's activities.

In many instances students simply repeated the stem as to why their answer was correct and so many missed marks by not applying the scenario to the question.

Distractors were often dismissed but not applied again reducing their marks at a time when they understood the concept but didn't fully explain its relationship to Tesco's activities.

Question 6

This question was well answered by some students but a significant number appeared to be confused about the concept of a National Minimum Wage.

The issue seemed to revolve around that fact that many students failed to recognise that this was a legal requirement laid down by the government. Very few students linked their response to the age bracket under discussion which limited the development of their response.

A significant number of students did not clearly make the link from higher wages to an increase in labour costs/overall business costs and therefore lower profit margins. A simplistic answer of higher costs too often lost these important marks.

Section B

There was a significant improvement in the way students were attempting evaluation level responses in the essay type question. This resulted in students being able to access the available higher levels marks.

However, students still need to be aware that in terms of applying the person, business, concept or issue in the question, it is not enough to just mention the name of the business, or quote from the question stem. Students really must do something with the information to ensure it is fully applied in some way.

One way of identifying whether an answer is truly applied is to use the 'Cadbury Rule'. If you can substitute the name of the business in the response with 'Cadbury' and it makes no difference to the answer – it is generic and not truly applied.

However, if using 'Cadbury' prevents the answer from making any sense, because it can only be related to the business in the stem or question, it is likely to be fully applied.

When students fail to truly apply their answer, it limits the number of marks they can access. A well analysed or evaluated response will be limited to the previous level if there is no application. In reality, this means a well analysed response that is not applied to the context in the stem or question will only be able to be rewarded with a maximum of 4 marks.

That said, it was heartening to see a greater number of students attempting to give context to both sides (analysis and evaluation) which helped achieve some high scoring papers in this series.

Question 7

Many students were able to score high marks on this question though some missed full marks due to underdeveloped analytical points. Some students lost marks for offering skills rather than characteristics.

Question 8a

It was clear from this question that most students could write a textbook definition of opportunity cost for 2 marks, but not as many understood what that really meant in relation to the case study.

Many students gained marks for the correct definition. A significant number of students were able to access application marks for Rachel as a school student and a lacrosse player. However, not many students went on to explain the implications of these opportunity costs.

Question 8b

Many student responses included both a definition and two reasons but only 2 knowledge marks were available. Many students found this response easy to apply to the features of the lacrosse rebounder.

However, a lack of strong analysis often prevented students gaining top marks, tending to bland/generic statements that this will 'increase sales' without saying why. Generally, the unique selling proposition (USP) and increased profits were used in analysis but again, not always fully developed in terms of how or why this was the result.

Of all the questions in the paper, the responses to this one were often the most scrambled and confused. There was some repetition of ways and students often were not concise or precise when it came to identify a competitive advantage.

A common weakness amongst many students in the analysis marks, with a false assumption that a fair price meant the same as a low/cheaper price, which was not credited with any marks.

Question 9a

A large proportion of students were able to work out the correct answer and gain full marks. Some students confused the calculation.

A large number of students lost a mark for not correctly identifying that the final figure was in units or rebounders with a significant number putting \$.

This mark is important to demonstrate understanding that in terms of break-even 200 units/products/rebounders is significantly different to \$200. Students who only put the figure 200 were not rewarded with the final mark as this could also indicate lack of knowledge in what the calculation actually means to the business.

Question 9b

Students generally answered this question well, both in terms of analysis and applied the correct context to developing business plans from the case study.

Evaluation tended to be very basic for many students with few able to contextualise this to access full marks. A significant number of students stated that writing a business plan was time consuming and expensive – this is becoming a standard evaluative answer and does not hold true in the case of writing a business plan and was not rewarded with any marks.

Some students failed to answer the question and instead did a question on the benefits of business plans or where Rachel could gain sources of finance from rather than the use of a business plan when obtaining finance. Few marks were scored in these cases.

Question 10

A generally well answered question on the digital economy by many students, who were able to present contextual analysis of the benefits to Rachel of using the internet.

Most students knew what the digital economy was and referred to the amazon link in the case study.

Many students gave lots of advantages and disadvantages for analysis, but often in general terms and not applied to the case study.

Evaluation tended to be underdeveloped with only a small number of students able to give context to support their arguments. Few scored more than low level evaluation as a consequence.

Question 11

Whilst there were some very good responses from a large number of students, on the whole, this question was not well answered.

A significant number of students did not clearly set out arguments whether Gladiator Lacrosse was either a marketing orientation or product orientation business. Instead there were very generic discussions on the advantages and disadvantages of marketing. This clearly did not answer the question asked so very often no marks were accessed.

A lot of students ran out of time and therefore answers to a number of responses were rushed and unfinished.

Those students able to take their time after understanding the question often accessed the analysis marks using good context. Only a small number of students were able to evaluate either through a specific comparison of marketing orientation or product orientation or a more general discussion of why Gladiator Lacrosse may not be marketing orientation.

Good evaluative responses often focused on the lack of research done by Rachel and the fact that she had spotted problems with the products available herself. Very few students gave conclusions that gained credit.

Grade Boundaries

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

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

