Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International Advanced Subsidiary and International Advanced Level
In Business (WBS12)
Paper 01

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General

The consistent structure of the paper meant the questions in this series were split into 3 sections as in all previous series for this qualification. Sections A and B each had five questions, ranging from 2 to 10 marks and Section C had one 20 mark question. It was evident many candidates had used papers from previous series to practice their responses and especially pleasing to see, note had been taken of many of the points in previous examiner reports.

In general, candidates appeared to be well prepared for most of the topic areas on this paper. However, there were some topics where that did not appear to be the case. The ability of the most able candidates was shown through relating their knowledge and understanding to the evidence presented, whereas those struggling with such concepts typically answered questions with a more generic approach and/or inaccuracies. The levels of response questions required understanding to be developed and applied to the relevant evidence. Although this approach was adopted by some, there were instances where a more basic understanding was demonstrated, thus limiting the attainment of higher levels. There did not appear to be many issues with the length of time students needed to complete all questions set.

Report on individual questions

Section A

Question 1a

There were 2 parts to the question to define the term 'personal savings' and examiners were looking for references to 'a source of finance' and 'provided by a business owner' or equivalent. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but, as in always the case with 'define' questions, no marks are available for these. Partial explanations were awarded 1 mark. Although many candidates provided an accurate definition, some were too vague, meaning the required knowledge was either only partially, or not demonstrated at all.

Tip: Unlike with higher mark tariff questions, reference to information in the extract(s) is **not** required for 'define' questions.

Question 1b

Explain questions have an assessment objective make-up of 1 x AO1, 2 x AO2 and 1 x AO3. This is exactly the same as other types of 4-mark questions (construct and calculate). Therefore, with only 1 knowledge mark available, this needed to come from giving one way the change in contribution of the pillar candle affected the break-even point and not from a definition. Further marks can only be gained by using the extract (for up to 2 application marks) and/or analysing the way. Stating that the break-even point would be affected did not answer the question, it was necessary to say it would *increase*.

Tip: Always ensure one way/advantage/method etc. is stated because this is essential for obtaining marks on explain questions.

Question 1c

Good responses were able to analyse two possible reasons for a difference between BHC's actual sales and its forecasted sales. The reasons could relate to only having been estimated, changes in actions of competitors, growth of market share for beeswax candles, increased environmental awareness, positive social media feedback or any other suitable response.

Being inaccurate or estimated were commonly stated reasons but they were not necessarily appllied andor analysed appropriately. Stating a part of the extract in isolation is NOT application. It must be applied to the reason, for example, 'As a result of increasing awareness of environmental issues, the market share for beeswax candles is increasing from 2%.' To analyse this point, a cause or consequence is needed. Advantages were not rewarded as 'analyse' questions do not have any AO4 (evaluation) marks.

Tip: There are 2 knowledge marks, 2 application marks and 2 analysis marks for analyse questions. Although the knowledge marks can be given for an appropriate definition instead of stating 2 ways/disadvantages/reasons etc., it is not possible to apply or analyse the definition and so marks are likely to be limited with this approach and students should focus on stating, then applying and analysing the two ways/disadvantages etc.

Question 1d

This question was marked using the levels-based marking grid. For an 8 mark 'discuss' question there are three levels. Examiners read the whole response and decide which level is the best match. If a response is lacking certain characteristics, examiners move towards the bottom of the level. If it is a strong match they will move towards the top and this approach is used for all levels of response questions on the paper.

There was a varied range of discussion regarding whether BHC can successfully compete with larger candle-making businesses. Stronger responses presented chains of reasoning based on the evidence in the extracts such as shipping costs may be cheaper than $9.95 for large firms due to their potential to benefit from economies of scale, thus making them more competitive and evaluated by applying the unique candles offered by BHC, offering of specialised and handmade candles to a growing market and having the benefit of positive social media reviews. Some students failed to achieve a higher level because the response was limited to just a reference to the generic factors and/or without presenting a chain of reasoning.

Tip: The command word 'discuss' requires a two-sided argument. If a candidate doesn't provide a two-sided argument or presents a generic answer, they would be unlikely to reach the higher levels. A conclusion is not required for an 8 mark discuss question.

Question 1e

This was a levels-based question with 4 levels. Although many candidates showed a good understanding of labour-intensive production they were not always able to apply this to BHC. Not all of the advantages of labour-intensive production are applicable to BHC and some presented were generic. Therefore, stating such did not achieve progression through the levels.

Similarly, attainment of higher levels requires developed chains of reasoning, in context, in order to assess the points made. Without this, the higher level descriptors are not matched, meaning only a low level mark will be achieved. For applied responses, examiners were looking for evidence from the extract to be used and not simply be stated without being relevant to the point(s) being made.

Tip: The command word 'assess' will always require a more in-depth development and some evaluation of the arguments compared to the command word 'discuss'. Candidates are encouraged to use a range of relevant evidence throughout the response to highlight their points and NOT to simply list (generic) factors without developing chains of reasoning or providing an assessment.

Section B

Question 2a

There were 2 parts to the question to define the term 'survey' and examiners were looking for references to 'a method of research' and 'to collect information/data/opinions' or equivalent. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but, as in the previous 'define' question, no marks are available for these. Partial explanations were awarded 1 mark.

Tip: This question will always have 2 marks available for a definition so ensure that your response is fully developed and is not a vague attempt at explaining the term.

Question 2b

Many candidates were able to calculate the correct number of students who had improved their grade and so were awarded 4 marks. Marks could be awarded for showing workings but these were not necessary if the correct answer was shown. Some candidates were able to show knowledge of the formula and/or apply the correct figures meaning some marks could be awarded for accurate knowledge and/or application.

Tip: It is important to state the answer to two decimal places when required by a calculate question, as well as to use the correct units. By doing this, full marks can be achieved.

Question 2c

More able candidates were able to analyse two reasons why a boom/peak in the business cycle may be beneficial to CoLearn. A good use of application was seen in many responses but sometimes a part of the extract was simply stated separately, rather than used in the analysis. This does not allow access to the application marks. Some students did not achieve full marks because, instead of analysis, a description of a business cycle was presented. This did not answer the question, which was to 'analyse two reasons', not to describe them. On occasion, candidates scored zero marks because they showed no understanding of a business plan, instead making reference to a product life cycle.

Tip: Make sure the extract is USED to apply the knowledge, not simply copied directly into a stand-alone sentence.

Question 2d

Like 1d, this was marked using the levels-based marking grid and consisted of 3 levels. Candidates were generally able to provide a response which discussed the impact of an increase in the minimum wage but some did not apply this appropriately or provide an assessment. Therefore, these responses did not match the descriptors of the higher levels.

Better answers were able to apply evidence from the extract to provide developed chains of reasoning, such as discussion about the increased minimum wage potentially leading to higher disposable income with which more students could afford to use CoLearn's services. Assessment of whether CoLearn was already paying its teachers above the minimum wage was a good line of argument, as was the argument that some teachers may be more motivated with a higher wage and therefore more productive but all needed 'balanced assessment' to reach the top level.

Tip: The command word 'discuss' requires both sides of an argument. Some candidates only look at one side, thus restricting their marks due to not providing an awareness of competing arguments.

Question 2e

As with 1e, this was a levels-based question with 4 levels. Many candidates were able to provide a good understanding of venture capital but not all were able to provide a developed assessment regarding the benefits of using this method of finance to CoLearn.

Some candidates showed a lack of knowledge of this method of finance and attempted to guess possible benefits. However this approach did not result in achieving a high level.

Tip: As with 1e, the command word 'assess' will always require more depth and development of the concept and chains of reasoning compared to the command word 'discuss'. Any area of the specification can be targeted by any of the questions on this paper. It is therefore important to give sufficient teaching and learning time to all topics on the specification.

Section C

Question 3

This is the highest mark question on the paper, worth 20 marks and with 4 levels. However, although the understanding demonstrated by candidates was often reasonable, some candidates struggled to apply the extracts appropriately or provide balanced arguments. Some candidates lacked understanding of liquidity and working capital. Rewriting the extracts to state the information provided to candidates in the first place, rather than answering the question, did not enable the candidate to progress through the levels.

As is shown by the indicative content in the mark scheme, there were a variety of points that could be developed in answer to the question but merit was not restricted to these. However, examiners were looking for an awareness of the effects AvN's current ratio, acid test ratio and working capital may have on the business in terms of whether it may be experiencing problems or may do so in the future, along with developed chains of reasoning as to the impact these factors may have on the business.

Stating the liquidity ratios were lower than ideal was popular in responses and worthy of merit but further development of the effect of this on AvN was needed to progress through the levels. In addition, higher level attainment came from an awareness of competing arguments such as the preference to have other years or other businesses of a similar nature for comparison, or a chain of reasoning showing the potential upsides of having reinvested or paid out to shareholders.

Tip: This is an 'evaluate' question meaning that ideas needed to be developed and presented with understanding of the significance of competing arguments. To achieve the top level, amongst other things detailed in the mark scheme, an effective conclusion is sought.

Summary

Candidates are offered the following advice and reminders:

- Questions 1a and 2a are worth two marks each and so will need two parts in the definition of the term to attain both marks. Examples are not rewarded.
- Be careful to read the whole of the question. Certain requirements are given which are not always acted upon by some candidates, e.g. only providing **one reason** in 'explain' questions.
- Candidates need to understand the requirements of the command words in the questions. This will allow them to access marks requiring each of the four assessment objectives.
- Quantitative Skills will be tested throughout the paper. These may be in the form of diagrams/graphs, calculations or using the data in the Extracts to provide the application in the questions.
- Application marks will not be awarded for simply repeating evidence in the extracts. The evidence needs to be **used** in the response.
- The command word 'Discuss' requires a two-sided argument in order to achieve full marks.
- There may be more answer space provided than you need to write your responses. This is also indicated on the front cover of the question paper.
- The specification for WBS12 states that questions may require students to draw on their knowledge from WBS11
- The use of relevant evidence is required throughout and this can be from the Extracts provided or, often, from candidates' own knowledge. The Extracts are there for a reason – so please use them!