

# Examiners' Report/ Principal Examiner Feedback

## Summer 2010

IGCSE

### IGCSE Business Studies (4330) Paper 1F

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## PE Report on Examination Paper 4330/1F

### General Comments

The overall performance of candidates in this examination was once again generally satisfactory. Many candidates demonstrated good knowledge of business terms, with answers containing analysis and evaluation. Both Foundation and Higher Tier candidates were able to write answers in context, which often helped them to gain marks.

The space provided on the question paper/answer book was used well and there were few instances where candidates ran out of space; where they did, it was pleasing to see that they indicated that this was the case, (e.g. continued on page 9). This is to be encouraged where candidates cannot complete their answer in the space provided.

The standard of written communication was satisfactory. Even so, centres are still encouraged to keep working with candidates to ensure incorrect phrases are clearly deleted, with replacement information positioned close by.

The mark scheme again contains information relevant to centres. However, it should be emphasised that the answers given in the mark scheme are **not** meant to be exhaustive and other credit worthy answers are possible.

- Each question indicates the level(s) at which it is based:
  - AO1 Demonstrate - this Assessment Objective tests the ability to demonstrate knowledge and understanding of the business term, idea or concept featured in the question. Command words such as 'Define', 'Name' and 'State' confirm this level.
  - AO2 Apply - this Assessment Objective tests the ability to relate answers to the context. In this series, candidates were required to use the information provided about a manufacturer of pianos, organs and keyboard instruments. Command words such as 'Give' (an example in context) confirm this level
  - AO3 Analyse - this Assessment Objective requires selecting, interpreting or analysing an issue presented by the question. Command words such as 'Analyse', and 'Identify' confirm the question is at this level
  - AO4 Evaluate - this tests the ability to formulate some judgements. Command words such as 'To what extent' and 'Discuss' confirm this level.
- The possible answers are structured using dashes and obliques ('slashes'). It is the practice in this examination to use a dash in order to separate points that are worth **additional** marks, and an oblique to indicate an **alternative** way of making the same point.

## Comments about individual Questions

### Question 1

Part (a) was well answered by the majority of candidates with no one item causing particular difficulty. Part (b) was reasonably well answered although a number of candidates thought market share related to shareholders. Also quite a number of candidates did not know what is meant by 'below the line' promotional techniques, of those that did, gifts, competitions and price reductions were most common.

Part (c) and (d) demonstrated that 'economies of scale' is not a well understood concept. The majority of candidates just copied the sentence from the context including the phrase 'rapidly growing' which scored marks for (c)(ii) but not for (c)(i). There were very few good answers for (d), a lot of candidates talked about the P&L account or again just repeated the context from (c)(ii) but this time talking about being under the control of a specialist manager. 'Easier to borrow money at lower interest rates' for (i) and 'managers being more specialised' for (ii) were most often correctly given.

It was anticipated that most candidates would define what is meant by 'JIT stock control', but fewer than expected could explain the term. A number of candidates related their response to sales to customers rather than raw materials & production.

### Question 2

Part (a) was well answered by the majority of candidates who scored at least 2 if not 3 marks.

Part (b) was also generally well answered by candidates who gave the trends in the sales of the three instruments, such as 'sales of electronic keyboards have increased each month'. However, a number of others gave a general personal view without reference to the table, talking about electronic keyboards being modern and pianos being old fashioned and scored few marks.

In part (c) a number of candidates read two functions as two functional areas and talked about Marketing & HR, etc. However, many talked about the finance department calculating wages, paying invoices and producing a cash flow forecast to help with controlling money flows. In the second part of the question, candidates often knew what is meant by a Profit and Loss Account but they didn't know what is meant by a Balance Sheet and hence lost marks. It was not uncommon to state production as a department for 'Keitels' but this business is a chain of retail outlets and they do not manufacture instruments. More careful attention to the context would have gained some candidates higher marks on this question by choosing an appropriate department. 'Marketing' and 'HR' were the usual examples given. A small number incorrectly said 'managerial'.

Again it might be expected that the concept of limited and unlimited liability for a company or a partnership would be well understood for part (d). A number of candidates talked about a partner dying and lack of continuity of the partnership or having to share the profits. However, there were a lot of good responses scoring the full four marks which explained the reduced risks of limited liability as apposed to unlimited liability.

### Question 3

This question is common to both Foundation and Higher tier papers. It was quite well answered.

Part (a) was generally well answered, with the concept of fixed and variable costs were clearly understood. However, a number of candidates incorrectly thought it meant that fixed costs did not change whereas variable costs would change over time. In the second part of the question, many candidates gave either two different types of production materials, (raw materials), or wages of workers. In part (b) many disappointingly just said loss - profit. Those who did the calculation generally got it correct & gained the full 4 marks.

In part (c) there were a lot of good answers gaining the full three marks, most answers included total sales, profits and consumer satisfaction. However, a large number did suggest liquidity ratios, demonstrating a lack of understanding of liquidity.

In parts (d) and (e) a large number of candidates thought competition pricing was pricing lower than the competition and/or cost plus related to high quality products or that competition pricing was penetration pricing and cost-plus was skimming the market. Not a well answered question but those candidates who understood the concepts scored highly on this question. Some candidates put information in (d) that would have scored marks in (e) and vice versa. Candidates need to read the question carefully to ensure they gain the full marks available.

## Grade Boundaries - June 2010

Option	C	D	E	F	G
1 (03 & 1F)	46	41	36	32	28
2 (04 & 1F)	48	42	37	32	27

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