

Examiners' Report/
Principal Examiner Feedback

Summer 2012

International GCSE Business Studies
(4BS0) Paper 01

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General Comments

It is pleasing to report that the performance of candidates in this examination series has seen an improvement on the previous year. This may be due to candidates being more familiar with the style and layout of the paper, so that they can better demonstrate their knowledge and understanding and relate it to the given scenario.

As mentioned in the previous reports there are still a number of candidates who answer the questions generically and thus do not apply their responses to the context. Candidates who do this will not, therefore, be able to access the full range of marks for questions, especially those that address AO2, AO3 and AO4. To help candidates preparing for future examinations the mark scheme will include the Assessment Objectives, showing how candidates can develop their answers by using the command words, such as 'analyse' and 'assess'. Please see appendix with the full list of command words.

It is also worth reiterating yet again, that the examination paper is marked using the online 'ePEN' system. Therefore candidates must indicate if they have continued their answer somewhere else on the paper. There are still some candidates who are not using black biros or ink pen, this does makes it more difficult for the examiner to read the responses.

Centres may be aware that on the second page of the examination paper the formulae that the candidates may be required to use will be printed. There is no guarantee that any or all of these formula will be used in the paper, but they are there if the candidate needs to use them.

Comments on individual questions

Section A

Question 1

The multiple choice questions were answered quite well by the majority of the candidates. However there appeared to be some confusion with 1 a (iv) with regard to the production method that EC Ltd would use. A number of candidates thought that it would be job production or Just in Time production. As the company is small it could not afford to wait for individual jobs to come in, as this would be too expensive in production time, nor would they use JIT.

Part 1 b – economies of scale was understood by most candidates however there were a number that confused, reputation of the area and technical. Reputation, being external and technical, being internal.

In part 1 c Notices – a large number of candidates confused this with something that is put on a desk, such as a memo. Also they were asked, how does the method help EC Ltd communicate with staff, therefore a description of what a notice is would not have gained any marks, as a description is knowledge. Candidates should have been commenting on how notices inform staff of certain facts/points e.g. health and safety, targets for the week, one notice can be seen by all staff and is a constant reminder to them.

Letters was slightly better answered with candidates realising why a letter may be sent as a method of communication to an employee. However some candidates referred to letters as being emails and how they are used. A letter is very different from an email, although in some circumstances does have some similarities.

Part 1 d (i) the question asked candidates why health and safety legislation is important to the staff. Many candidates did not mention why it is important to staff, only what health and safety was about. A number of candidates commented on food and safety and staff not contaminating the chocolate but this was not relevant to the answer. Staff would want to know that EC Ltd would follow all the guidelines to protect them from any injury. Compensation was often mentioned and again this is not relevant to the what was being asked by the question.

In 1 d (ii) candidates understood that there could be problems if EC Ltd did not follow the legislation. The consequences of this could be that EC Ltd could be sued, put out of business or fined by the courts. These were common answers in a question that was generally well answered.

Question 2

Part 2 a – many candidates confused wage and salary and were therefore unable to gain the marks available. A number of candidates thought that a wage is paid on a daily basis. Two marks were available and therefore candidates needed to ensure that they had given at least two comments.

In part 2 b – if candidates understood what the minimum wage was then they were able to give two detailed reasons as to why EC Ltd would want to pay their staff above the minimum wage. The most common answer was to ensure that the staff remained at the company and did not look for another job. However there were a number of candidates who had misinterpreted the question and were commenting on why EC Ltd had to pay the minimum wage, such as the government had passed legislation that detailed the consequences if they did not pay it. Candidates had clearly missed the point of why EC Ltd does pay its staff above the minimum wage.

Part 2 c (i) this was well answered by most candidates who realised that issuing shares and a bank loan were ways of funding the expansion.

However 2 c (ii) was not as well understood, the concept of EC Ltd having a mortgage as long-term source of finance was missed. This was a question where the stem was often repeated in the answer and therefore candidates were unable to gain marks.

In 2 d the labelling of the break-even graph was well answered by the majority of candidates, although line C was occasionally confused being labelled as variable costs.

In part 2 e – the question was similar to a previous paper where candidates are given the stem of a question and asked to discuss either one option or another and give two reasons for their choice. Yet again a number of candidates tended to repeat the context of the questions several times within their answer without fully explaining why they had chosen one particular option against the other. Some candidates even added to the scenario and commented on how the sales would increase by moving. The company operates via the internet so this may not be relevant at the present time. Candidates should be reminded yet again that repeating the scenario wastes a great deal of time and will not gain marks. Two reasons were asked for and candidates needed to develop each one to gain the marks. If candidates gave several reasons i.e. 4/5 without any development they could only gain the minimum of 2 marks.

Question 3

Part 3 a (i) was well answered by most candidates, however some of the candidates written figures were difficult to read, i.e. sometimes a 4 looked very much like a 9.

In part 3 a (ii) candidates were able to give two examples of cash outflow, with wages/salaries and electricity/gas being the most common answers. However there were a small minority of candidates that gave very generic answers/comments rather than examples.

3 a (iii) A number of candidates tended to comment on a cash flow forecast as being something that happened in the past rather than in the future. Therefore it was often difficult for them to gain all the marks available. Candidates should have commented on the decisions that could be made, as opposed to what the business could have done.

3 b (i) Many candidates clearly understood what would happen to EC Ltd if the staff went on strike and the consequences for the company. The most common answer was, not being able to meet orders and loss of income due to not having sufficient produce to sell.

In part 3 b (ii) This was not well answered. Candidates did not understand the effect that a strike would have on the staff. A common misconception was that they would lose their jobs, be made redundant etc. The question asked for the effects on the staff, such as they would not be paid, not able to meet financial and family commitments.

Part 3 c candidates clearly understood the importance of an interview in the process of appointing new staff, by commenting on the face-to-face meeting, seeing if the person fitted in with the staff and their ability to answer and ask questions. A number of candidates did refer to the fact that an interview is to check on the candidate and to ensure that they were not falsifying their qualifications. This would not be part of the actual interview. However some candidates made reference to how the interview fitted in the whole process, i.e. after the job description and person specification had been written, again not relevant to the question asked.

Section B

Question 4

4 a (i) A number of candidates confused place with location and they therefore analysed why they would locate in a certain area, being near to a port etc. All very valid, but not answering the question of why place in the marketing mix is important.

4 a (ii) For a large number of candidates they were able to identify the main purposes of EC Ltd setting a budget for advertising and the justification for this. However there were a number of candidates who made reference to a budget being set up because of fraud and checking on staff, which would not be applicable.

In part 4 b candidates were able to identify two market segments and some analysed in detail why that segment would likely purchase chocolates from EC Ltd. There were a number of candidates who used the same reasons in part 2 as in part 1 and this of course would not gain them the full marks available. Others reworded their segment chosen in 1 for part 2 e.g. those with high income and those people who are wealthy. The question clearly asked for two different market segments that would buy chocolates. Candidates should also look carefully at the mark allocation to ensure that they give sufficient detail. The total marks for this part of the question was 6 and there were two market segments required, therefore candidates should have worked out that each segment would gain 3 marks hence sufficient analysis for each segment was required.

Part 4 c candidates were asked to explain the importance of conducting market research rather than the different types of market research that EC Ltd could have carried out. A number of candidates went into detail about each of the methods available to them and why they should or should not select one method as opposed to another. This was not asked for in the question and hence such candidates did not gain many if any of the marks available. However some candidates clearly understood the importance of EC Ltd conducting market research to find out if their products would be successful or not and some mentioned researching the competition and where and when people may wish to purchase their products.

Question 5

Candidates who chose, an increase in tariffs, tended to answer better than those who chose a reduction in interest rates for part 5 a. If candidates understood the implications of a tariff they were able to gain the marks available. For those candidates who chose interest rates, there were a number who confused the implications of such a reduction and the fact that they were meant to be linking it to exporting/importing their goods.

For 5 b (i) the majority of candidates clearly understood what a direct tax was with corporation tax and income tax being the most common answers. However there were a number of candidates who were confused and referred to VAT as a direct tax.

In part 5 b (ii) many candidates clearly understood the impact of the government increasing the sales tax, whether it was in the country importing the goods or the country exporting them.

For part 5 c candidates were asked to consider two options and justify why they have selected one and rejected the other. Most candidates understood what competition pricing was, however there were a number who were confused with promotional pricing and referred to these as being offers that were made, such as BOGOF's etc. The question was about promotional pricing and not promotion. Some candidates considered penetration pricing as opposed to promotional pricing and were able to gain marks for this. There are still a number of candidates that are writing in bullet format for this final 10 mark question and this will not allow them to gain the analysis and evaluation marks available. Some candidates were able to comment on the method chosen and justify their reasons whilst rejecting the other in detail. It is worth pointing out to candidates that this question does carry the most marks and they should allow sufficient time to answer the question. A number of candidates only completed a few lines and therefore did not gain many marks.

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