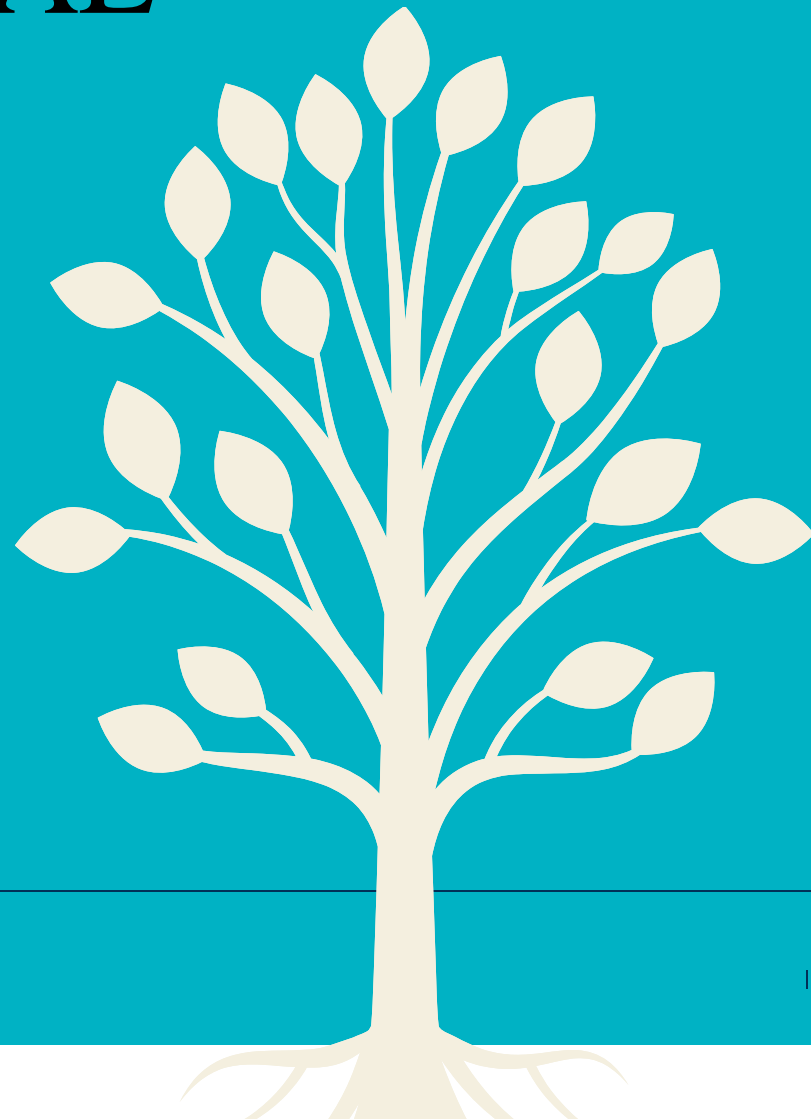


EDEXCEL INTERNATIONAL GCSE (9-1) **Business**

GETTING READY TO TEACH

Event code: 16IAB10

First teaching in 2017, first assessment in 2019.



Agenda

10.00 Welcome

10.05 Introduction to the new Edexcel International GCSE (9-1) Business qualification

11.00 'State', 'Calculate', 'Explain' and 'Outline' questions

12.30 Lunch

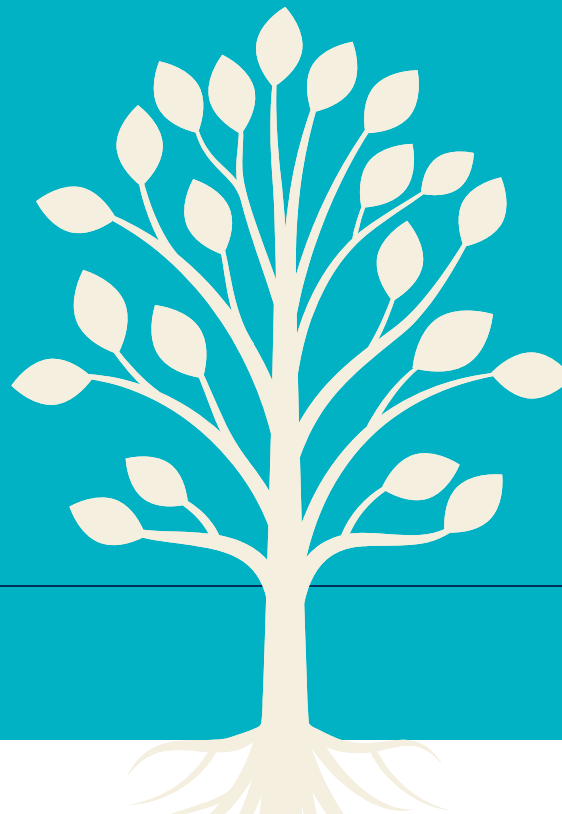
1.30 'Analyse', 'Justify' and 'Evaluate' questions

3.00 Support and resources

3.30 Questions and final points

3.45 Finish

Introducing the new International GCSE (9-1) in Business



Timeline

	2017	2018	2019
Current specification 4BS0	Summer series as normal	Final assessment	
New specification 4BS1	First teaching		First assessment

Summer 2018: last assessment for the International GCSE in Business Studies 4BS0.

Summer 2019: first assessment for the International GCSE (9-1) in Business 4BS1.

Overview of the changes

- 2 exam papers (Each paper is worth 80 marks, 90 minutes, 50% of total assessment).
- 4 questions per paper.
- 10% of the marks in each paper (8 marks) will focus on assessing quantitative skills.
- Recommended 120 guided learning hours.
- Simplified question paper and specification layout.
- New 9 to 1 grading scale, with 9 being the top level.
- Content remains largely unchanged, though it has been updated. Topic headings have been brought up to date.

New 9-1 grading scale

	NEW GRADING STRUCTURE	CURRENT GRADING STRUCTURE
<p>The new grade 9 represents a new level of attainment and has been introduced to differentiate your top performing students.</p> <p>The bottom of the grade 7 aligns with the bottom of the grade A.</p>	9	A*
	8	
	7	A
<p>There's greater differentiation in the middle of the scale, with grades 6, 5 and 4 being equivalent to the old grades B and C.</p> <p>The bottom of the grade 4 aligns with the bottom of the grade C.</p>	6	B
	5	
	4	C
<p>The bottom of the grade 1 aligns with the bottom of the grade G.</p>	3	D
	2	E
	1	F
		G
	U	U

Click [here](#) for the latest information on the 9-1 grading scale.

Paper structure

- 2 x papers: **90 minutes, 80 marks, 4 questions**
- **Identical, consistent paper structure** in Paper 1 and 2.
- Reduced and **clearly defined command words** and mark tariff.
- **‘Ramped’ questions**. Questions start with lower mark tariff sub-questions and build to higher mark tariff sub-questions at the end of the question. This allows students to build confidence as they move through the paper, ensuring the paper is accessible for ALL students.

Structure of the International GCSE (9-1) in Business

	Content overview	Assessment overview
Paper 1: Investigating small business	<ul style="list-style-type: none">• This paper will draw on all topics.• The question scenarios are based on a small business (up to 49 employees).• 4 compulsory questions – each worth 20 marks	Written examination: <ul style="list-style-type: none">• 90 minutes• 80 marks• 50% of the qualification
Paper 2: Investigating large businesses	<ul style="list-style-type: none">• This paper will draw on all topics.• The question scenarios are based on a large business (more than 250 employees).• 4 compulsory questions – each worth 20 marks	Written examination: <ul style="list-style-type: none">• 90 minutes• 80 marks• 50% of the qualification

Paper 1: Investigating small businesses

- 80 marks, 90 minutes, 50% of total assessment
- 4 questions based on 1 context.
- Context will always be a real, small scale business with up to 49 employees.
- Questions can relate to all topics.
- Mixture of Multiple-Choice, short answers and longer answer questions.
- Introduction of 'ramping' in each question. Each question starts with lower mark sub-questions that steadily increase in difficulty throughout the question, making each question accessible to all students.
- Consistent command words and mark tariffs used.

Paper 2: Investigating large businesses

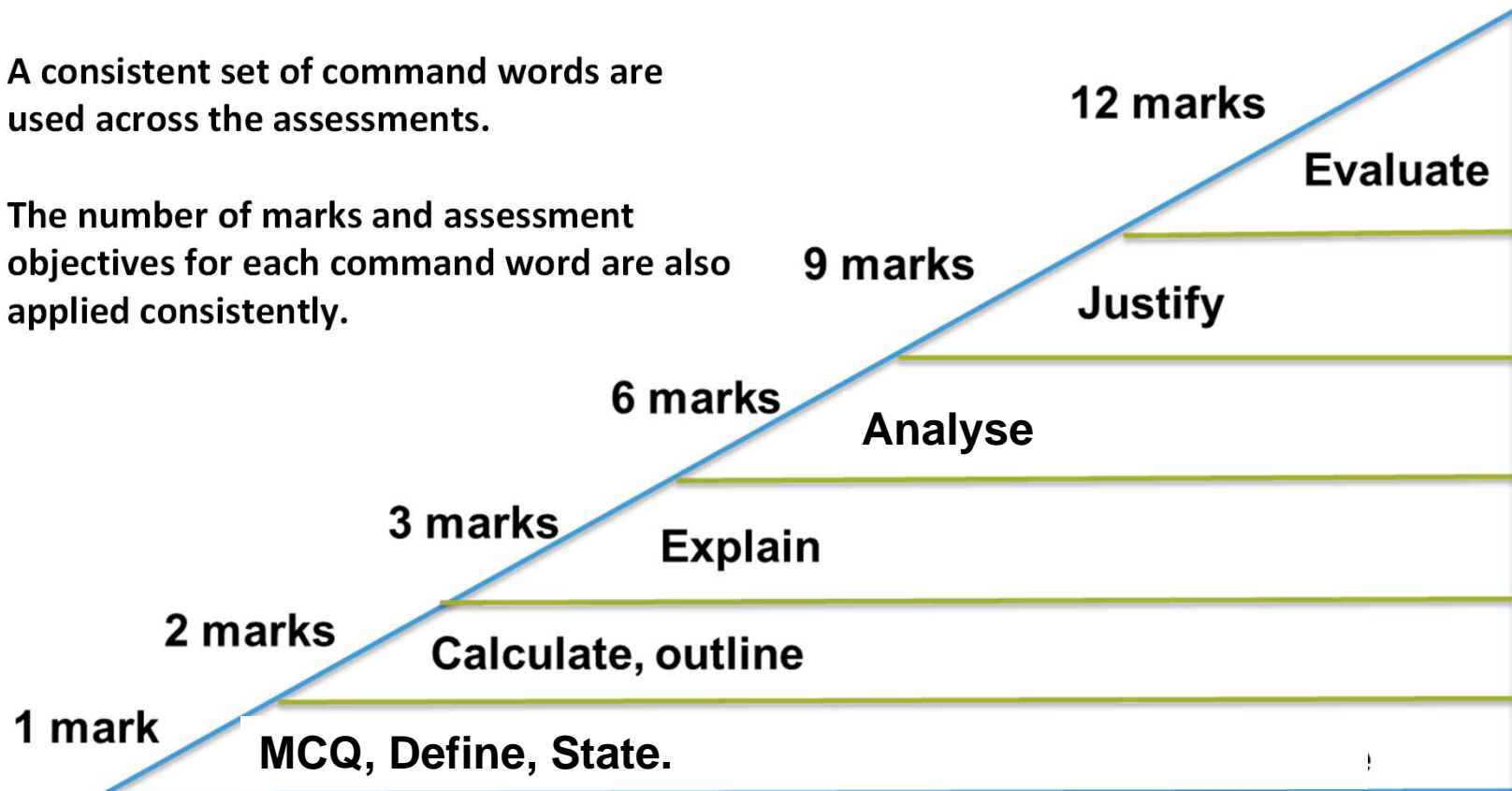
- 80 marks, 90 minutes, 50% of total assessment
- 4 questions based on 1 context.
- Context will always be a real, global, internationally-recognized multinational business with more than 250 employees.
- Questions can relate to all topics.
- Mixture of Multiple-Choice, short answers and longer answer questions.
- Introduction of 'ramping' in each question. Each question starts with lower mark sub-questions that steadily increase in difficulty throughout the question, making each question accessible to all students.
- Consistent command words and mark tariffs used.

Structure of Question Paper 1 & 2

Question 1: 20 marks	Question 2: 20 marks	Question 3: 20 marks	Question 4: 20 marks
6 x MCQs Short and longer answer questions.	Short and longer answer questions.	Short and longer answer questions.	Short and longer answer questions.
Students may be asked to calculate.	Students may be asked to calculate.	Students may be asked to calculate.	Students may be asked to calculate.
1x 6-mark Analyse question at the end.	3 x 3-mark questions. 1 x 9-mark question.	1 x 6-mark question. 1 x 9-mark question.	1 x 6-mark question. 1 x 12-mark question.
Taxonomy: MCQ Define State Calculate/Outline Explain Analyse	Taxonomy: State Explain Calculate/Outline Justify	Taxonomy: Define Calculate/Outline Analyse Justify	Taxonomy: Calculate/Outline Analyse Evaluate

Command words used in each paper

- A consistent set of command words are used across the assessments.
- The number of marks and assessment objectives for each command word are also applied consistently.



* 1 mark per selection; multiple choice questions may require the selection of more than one answer

New content areas

- Content has been refreshed and updated.
- Content has been made more explicit within the specification.
- **1.5 Business and the international economy**
 - concept of globalization.
 - opportunities and threats of globalisation for businesses.
 - Importance and growth of multinationals.
- **4.3 Marketing**

Updated to include social media and the use of technology.

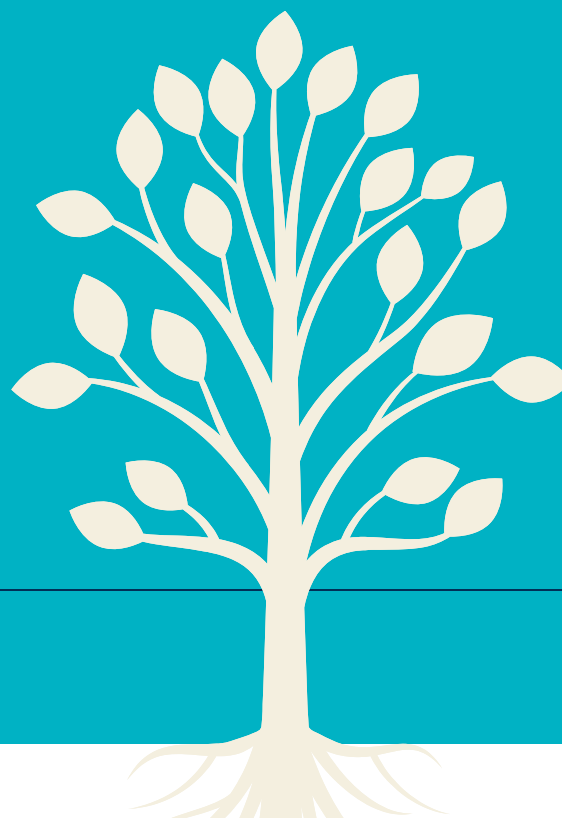
For example:

- **4.3.4. Promotion:**

The use of technology in promotion

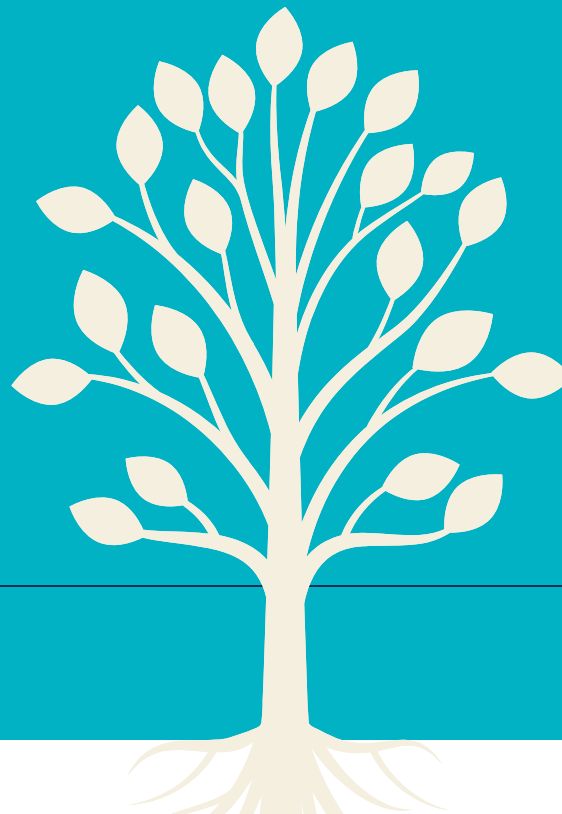
 - targeted advertising online
 - viral advertising via social media
 - e-newsletters.

Questions?



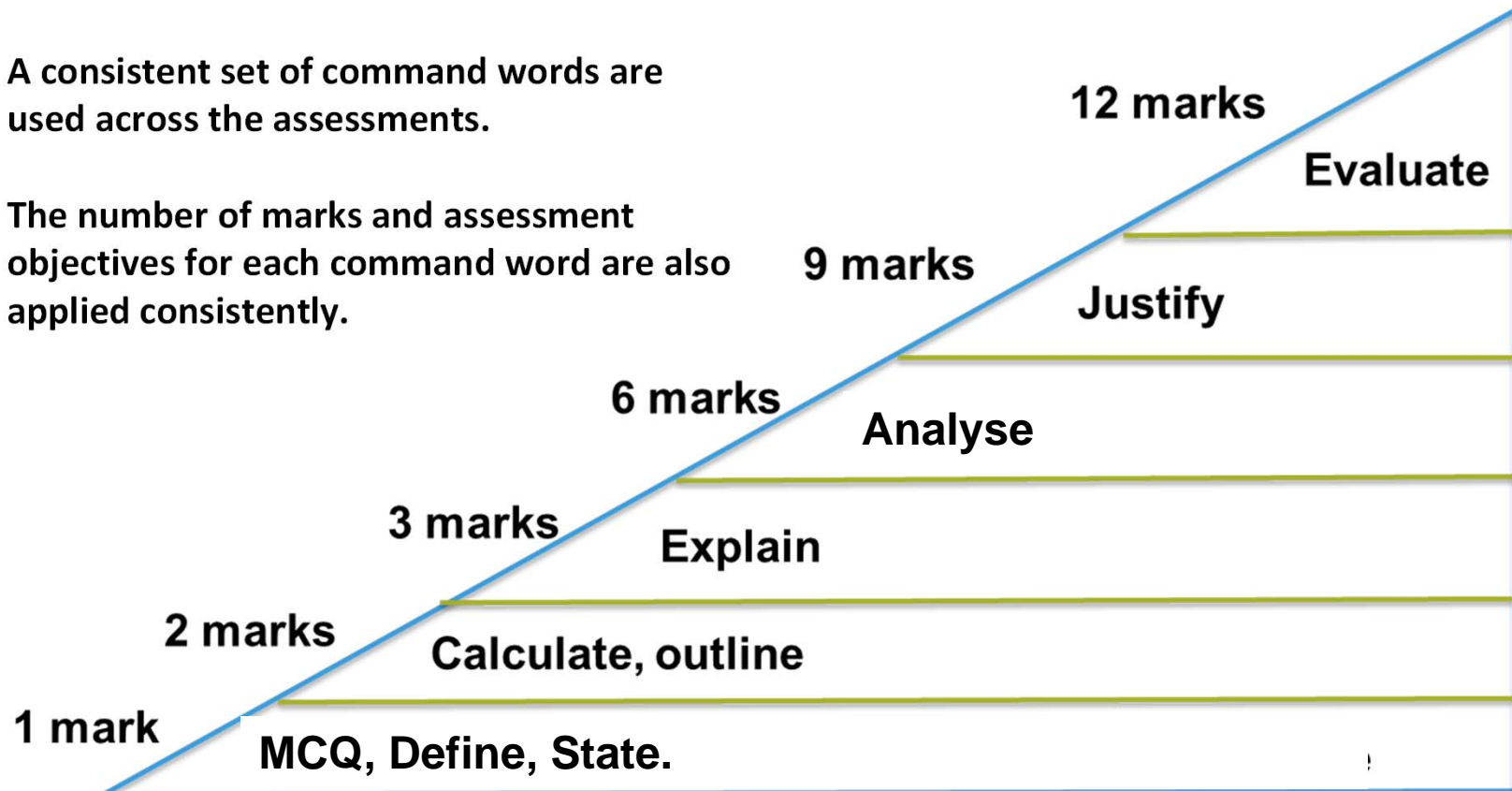
Assessment:

Points-based mark schemes



Command words used in each paper

- A consistent set of command words are used across the assessments.
- The number of marks and assessment objectives for each command word are also applied consistently.



* 1 mark per selection; multiple choice questions may require the selection of more than one answer

‘State’ questions:

- Always **worth 1 mark**.
- Designed to **test application** (AO2).
- Students are required to provide an answer in context.
- A **‘points-based’ mark scheme** is used.
- ‘State’ questions can appear in questions 1 and 2.
- To earn the mark, the answer must demonstrate Application (AO2) rather than Knowledge (AO1).

‘State’ questions: Exemplar 1

(d) State **one** possible impact on Apple of falling revenues.

(1)

Decreased profit

Question: State **one** possible impact on Apple of falling revenues.

Answer: Decreased profit.

‘State’ questions: Exemplar 2

(b) State **one** problem of ineffective communication for Apple.

(1)

Mistakes ~~could~~ could be made.

Answer: Mistakes could be made.

‘State’ questions: Exemplar 3

(d) State **one** fixed cost that Haji Biryani may have to pay.

(1)

Rent on the ^{restaurant} property that he owns.

Answer: Rent on the restaurant that he owns.

‘Calculate’ questions:

- Always **worth 2 marks**.
- Designed to **test application** (AO2).
- A **‘points-based’ mark scheme** is used.
- ‘Calculate’ questions can appear in questions 1,2,3 and 4.
- No marks are awarded for stating the formula.
- All ‘calculate’ questions will have an answer template similar to the following slide.
- If students provide multiple answers, **the only answer that counts is the one written on the line provided** (as highlighted on the following slide).
- Where applicable, answers should be given to two decimal places (2.d.p.).

Sample 'Calculate' Answer Template

- (c) Using the information in Table 1, calculate the cost of sales for the business. You are advised to show your workings.

This is where we will expect candidates to place their final answer.

£.....

‘Calculate’ questions: Mark Scheme

Question number	Answer	Additional guidance	Mark
1(e)	AO2 2 marks $\$600/\800×100 Answer: 75%	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	(2)

Assessment objective tested. Notice there is no AO1 – this is why there are no marks awarded for a formula.

‘Calculate’ questions: Exemplar 1

The selling price of an iPhone 6 is US\$800 and the cost of sales is US\$200.

(e) Calculate the gross profit margin on an iPhone 6. You are advised to show your working.

(2)

$$\text{gross profit} = 800 - 200 = \text{US } \$600.$$

$$\text{gross profit margin} = \frac{\text{gross profit}}{\text{selling price}} \times 100.$$

$$\text{gross profit margin} = \frac{600}{800} \times 100 = 75\%$$

‘Calculate’ questions: Exemplar 2

Figure 1 shows selected information from Haji Biriyani’s statement of comprehensive income in 2015.

	million Tks
Revenue	16
Cost of sales	(7)
Gross profit	9
Other operating expenses	(5)

Figure 1

(e) Calculate Haji Biriyani’s operating profit margin in 2015. You are advised to show your working.

(2)

25%

‘Calculate’ questions: Exemplar 3

Figure 2 shows the fixed and variable costs of making one biriyani meal at Haji Biriyani’s main restaurant in Dhaka.

	Tks
Total fixed costs	20 000
Variable costs of mutton per meal	250
Variable costs of rice per meal	110
Variable costs of vegetables and spices per meal	40

Figure 2

(c) Calculate the total costs of making 10 biriyani meals.

(2)

~~20,000~~
~~4,000~~

$$20,000 + 4,000 = ?$$

‘Explain’ questions

- Always **worth 3 marks**.
- Designed to **test knowledge and understanding** (AO1).
- No context is required.
- A **‘points-based’ mark scheme** is used.
- Will **only appear in Questions 1 and 2**.
- Will always be of the nature ‘**Explain one...**’
- **Four ‘explain’ questions** in each paper.
- Candidates need to provide **two** linked strands following on from the identification of **one** impact/method/advantage/disadvantage etc.

‘Explain’ questions: Mark Scheme

(e) Explain **one** benefit of using lean production methods for a business.

(3)

Question number	Answer	Mark
2(e)	<p style="text-align: center;">AO1 3 marks</p> <p>Award 1 mark for identification of a benefit of lean production and a further 2 marks for an explanation of that benefit, up to a maximum of 3 marks.</p> <p>Reduced waste (1) - as unnecessary stock is removed from the production process (1) therefore costs are reduced (1).</p> <p>NB Answers that list more than one benefit with no explanation will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	<p style="text-align: center;">(3)</p>

Explain questions: Exemplar 1

(e) Explain **one** benefit of using lean production methods for a business.

(3)

one benefit of lean production methods is that a business holds less stock at one time. This means the business has an improved cash flow position. As a result, the business has a decreased risk of insolvency.

Explain questions: Exemplar 2

(f) Explain **one** disadvantage to a business of increased competition.

(3)

increased competition will lead to ~~increase~~ increased pressure on a business to lower prices in order to keep customers. As a result the business will need to sell more to make the same profit margins. This may lead to demotivated staff as they will have extra stress on them selling increased amounts of products.

Explain questions: Exemplar 3

(e) Explain **one** benefit of using lean production methods for a business.

(3)

A benefit is that it would reduce stock holdings therefore cash flow will ^{improve} ~~increase~~ therefore risk of insolvency will decrease

‘Outline’ questions

- Always **worth 2 marks**.
- Designed to **test Application (AO2)**.
- A **points-based mark scheme** is used.
- Students needs to **state one benefit/drawback/impact/method** etc. and **provide one strand of development**. Within the answer **there must be evidence of context** to score 2 marks.

‘Outline’ questions: Mark Scheme

(b) Outline **one** reason why a restaurant group is best described as being in the tertiary sector.

(2)

Question number	Answer	Mark
3(b)	<p>AO2 2 marks</p> <p>Award 1 mark for identifying a reason why a restaurant group, such as Haji Biryani is part of the tertiary sector of the Bangladesh economy, plus 1 further mark for linking it to the context of the question.</p> <p>Haji Biryani serves food (1). This means that it provides a service to consumers (1).</p> <p>NB Do not accept reasons that would not be appropriate for the context of Haji Biryani.</p> <p>Accept any other appropriate response.</p>	<p>(2)</p>

‘Outline’ questions: Exemplar 1

(b) Outline **one** reason why a restaurant group is best described as being in the tertiary sector.

(2)

Hasi Biryani provides a service.

‘Outline’ questions: Exemplar 2

(b) Outline **one** reason why Apple makes use of trade payables.

(2)

There will be able to get deliveries of raw materials now and then use later therefore this will improve Apple's cash flow

‘Outline’ questions: Exemplar 3

(c) Outline **one** reason why being an e-tailer gives Amazon an advantage over Argos.

(2)

Because there are lower fixed costs for Amazon such as a lack of need for a high street store (no rent to pay)

Marking Activity 1

- In your delegate pack there are a further 8 exemplars covering the range of 'points-based' questions.

Lunch



Assessment: Levels-based mark schemes



‘Analyse’ questions:

- Always **worth 6 marks**.
- Designed to **test application and analysis (AO2 and AO3)**.
- A **‘levels-based’ mark scheme** is used.
- Will **appear in Questions 1, 3 and 4** – three in total.
- Context is required.
- Will always be of the nature ‘Analyse an/the impact/advantage etc...’
- ‘Interconnected points’ means at least two linked strands (Level 2 AO3 descriptor).
- ‘Detailed interconnected points’ means at least five linked strands (Level 3 AO3 descriptor).

‘Analyse’ questions: Mark Scheme

Question number	Indicative content	
1(g)	AO2 (3 marks)/AO3 (3 marks) AO2 <ul style="list-style-type: none"> The technology market rapidly changes as companies such as Samsung release new tablets. Social media is a fast and convenient way of providing customer support to customers who have problems with their iPhones. AO3 <ul style="list-style-type: none"> Social media allows Apple to interact with its customers, enabling them to build brand loyalty. This reduces customer frustration, differentiating Apple’s devices from Samsung’s and allowing Apple to charge a premium. 	
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3)
Level 2	3–4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context, although there may be some inconsistencies. (AO2) Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)
Level 3	5–6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

‘Analyse’ questions: Exemplar 1

(g) Analyse the impact of social media on Apple.

(6)

one benefit of using social media is that a business is able to communicate with their customers. For example, they are able to tweet information to potential customers about enhancements and new products. This means customers have more information about products, and as a result, they are more likely to purchase the products. This leads to an increase in sales for the business, and increased revenue. Therefore, the business has increased profit.

Another benefit of social media is that it is a marketing tool used by the company and by customers to provide positive reviews of products. As a result, people become more aware of the brand, and a premium can be charged.

As well as this, sales numbers increase, leading to an increase in revenue and an increase in profit.

‘Analyse’ questions: Exemplar 2

(b) Analyse the possible impact of a rise in Bangladeshi interest rates on Haji Biryani.

(6)

Any loans that Haji Biryani take out from the bank to fund the restaurant will become more expensive and the people who live in Dhaka will now have to pay more on their loans. Fixed costs will rise which will need more sales to be made to break even. The demand for food could ~~rise~~ decrease as buyers will not buy as much which will result in lower revenues. This increases the chance of the business failing.

‘Analyse’ questions: Exemplar 3

(d) Analyse the statement of financial position in terms of its usefulness to Apple.

(6)

This is very useful to Apple as it allows them to calculate their current ratio (by dividing their current assets by their current liabilities). It also allows them to work out their Acid test ratio (by subtracting their inventory from their current assets and dividing by their current liabilities). These both tell them about their cash flow position, and their risk of insolvency. Apple can see that their current assets are almost 5 billion dollars greater than their current liabilities, showing that they have no liquidity problems or cash flow problems. Furthermore, in the long term, Apple's non-current assets exceed their non-current liabilities by over 100 billion dollars, meaning they are in a very strong financial position. Therefore, this statement is very useful to Apple to assess their financial position.

‘Justify’ questions:

- Always **worth 9 marks**.
- Designed to **test application, analysis and evaluation (AO2, AO3 and AO4)**.
- A ‘levels-based’ mark scheme is used.
- Will **only appear in Questions 2 and 3** (one in each section).
- Will **always involve a choice between two options**.
- ‘Interconnected points’ means **at least two linked strands**.
(Level 2 AO3 descriptor).
- ‘Detailed interconnected points’ means **at least five linked strands**.
(Level 3 AO3 descriptor).

‘Justify’ questions: Mark Scheme

Question number	Indicative content
3(e)	<p>AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks)</p> <p>AO2</p> <ul style="list-style-type: none"> Option 1 – Customer satisfaction will show the restaurant owners how happy customers are with the food quality and the speed of service. Option 2 – A high level of profit will show the owners of the restaurant that they can make food at a cost which is lower than the price that they can sell it for. <p>AO3</p> <ul style="list-style-type: none"> Option 1 – Therefore, customer satisfaction would be a useful measure of success since it would tell the business about the strength of its brand and how happy customers are with the product. This should then lead to higher revenues and profit. Option 2 – Therefore, this would be a useful measure of success since it means that the business will not fail financially and returns are being generated for its owners. <p>AO4</p> <ul style="list-style-type: none"> Option 1 – However, customer satisfaction is hard to measure accurately. If the restaurant uses questionnaires it is possible that customers may mislead the restaurant by filling them in inaccurately. This could result in the business being less successful than it first thought. Option 2 – However, although the maximisation of profit in the short term may suggest that the business is successful, it may not reflect long-term success, especially if costs are cut to maximise profit, such as purchasing poorer-quality raw materials. This could damage the restaurant’s brand and cause customers to dine at rivals’ restaurants.

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made. (AO4)
Level 2	4–6	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context, although there may be some inconsistencies. (AO2) Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made. (AO4)
Level 3	7–9	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

‘Justify’ questions: Exemplar 1

The best way to judge success for Haji Biryani is option 2 - profit. The main reason for this is that to survive any business needs to make profit. By making a high level of profit this suggests that Haji Biryani is providing food and service that meets the needs demands of its customers.

This is better than option 1 because customer satisfaction does not necessarily mean that a business is a success. If a customer was charged really low prices for their meals this would mean they would be very satisfied, but the business would not be successful because the revenue earned would not cover cost of ingredients. As a result the business may make a loss and go out of business.

In conclusion option 2 is the best way of measuring the success of any business. However, this depends on the actual amount of profit made. Very small profit may mean Haji Biryani only just survives.

The owners of Haji Biryani want to judge the success of the restaurant group.

In order to do this, the owners are considering using the following two options.

Option 1: Customer satisfaction.

Option 2: Profit.

(e) Justify which one of these methods the owners should use.

(9)

Apple is considering increasing the amount of money it spends on product development.

In order to fund product development, Apple has two options.

Option 1: Issue new shares.

Option 2: Use retained profits.

(e) Justify which **one** of these two options Apple should choose.

(9)

one benefit of option 1, issuing new shares, is that Apple is a well known, established technology brand. This means they can charge a premium price for each share, and therefore will receive lots of capital from each share sold. Furthermore, many people would want to buy Apple shares, as they are a leading company in the technology market, have lots of market power, and are seen as a reliable brand, with popularity increasing each time a new iPhone or iPad is brought out. Therefore, Apple would have no problems raising sufficient capital using this option. However, one drawback of option 2, to use retained profit, is that Apple might not be able to generate sufficient capital this way. Product development is very expensive, so they would have to raise lots of capital to fund it. This means it would take longer to raise sufficient capital, and since the technology market is very quickly developing and changing, it is vital that Apple works quickly to stay ahead of competitors such as Samsung, and keep their competitive advantage and market power. To conclude, Apple should choose option 1, to issue new shares, as they can raise more capital much faster this way, which is critical to stay ahead in their market.

‘Justify’ questions: Exemplar 2

‘Justify’ questions: Exemplar 3

Fender is considering two options to increase its profitability:

Option 1: Increase advertising

Option 2: Increase prices

(c) Justify which **one** of these options Fender should choose.

(9)

Fender should increase its advertising ~~because~~ to increase its profitability because with advertising comes more awareness from consumers which is important for a guitar company because many people are buying guitars for the first time throughout their life, so if Fender is the most known brand more people are likely to buy one as the first guitar. This will encourage consumer loyalty and therefore repeat purchase.

Also, Fenders prices are already high against Gibson, so their competitors have a competitive advantage over price, so Fender need to make consumers aware of their competitive advantage through quality. This would happen through advertising. This will increase desirability for Fenders guitars, so more people will purchase their products, with increase sales comes increased profitability which will make up for advertising costs.

(Total for Question 6 = 12 marks)

‘Evaluate’ questions:

- Always **worth 12 marks**.
- Extended writing designed to **test Knowledge/Understanding, Application, Analysis and Evaluation (AO1, AO2, AO3, AO4)**.
- A **‘levels-based’ mark scheme** is used.
- Will **only appear in Question 4** (the final question on each paper).
- ‘Interconnected points’ means **at least two linked strands**.
(Level 2 AO3 descriptor)
- ‘Detailed interconnected points’ means **at least five linked strands**.
(Level 3 AO3 descriptor)

‘Evaluate’ questions: Mark Scheme

Question number	Indicative content
4(c)	<p>AO1 (3 marks)/AO2 (3 marks)/AO3 (3 marks)/AO4 (3 marks)</p> <p>AO1</p> <ul style="list-style-type: none"> Home delivery would result in increased customer satisfaction. Home delivery could allow Haji Biriyani to move into the takeaway market. <p>AO2</p> <ul style="list-style-type: none"> This is because customers can now place their orders over the internet and the food will be delivered to their homes. This market is bigger since customers no longer have to travel from inconvenient parts of Dhaka to eat Haji Biriyani’s food. <p>AO3</p> <ul style="list-style-type: none"> Therefore, this means customers no longer have to travel across Dhaka, wasting time. As a result, customers may be willing to pay more for the home delivery service, increasing the profits of the business. As a result, the potential demand will increase significantly, resulting in much higher potential revenues which should lead to higher profits. <p>AO4</p> <ul style="list-style-type: none"> However, Haji Biriyani is a restaurant not a takeaway and, therefore, customers may enjoy dining in the restaurant, a luxury which they would not get from a home delivery service. As a result, the new service may simply increase costs but not improve revenues by as much, resulting in lower, rather than higher, profits. However, the takeaway market may be much more competitive than the restaurant market and, with many other restaurants also offering a home delivery service, the extra revenues generated by Haji Biriyani may not be high. Therefore, with the extra costs of employing drivers to deliver the food, profits may be lower in the short term until customers start to become loyal to the new service.

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none"> Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used. (AO1) Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) Draws a conclusion, supported by generic assertions from limited evaluation of business information and issues. (AO4)
Level 2	5–8	<ul style="list-style-type: none"> Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places. (AO1) Sound application of knowledge and understanding of business concepts and issues to the business context, although there may be some inconsistencies. (AO2) Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) Draws a conclusion based on sound evaluation of business information and issues. (AO4)
Level 3	9–12	<ul style="list-style-type: none"> Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology. (AO1) Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) Draws a valid and well-reasoned conclusion based on a thorough evaluation of business information and issues. (AO4)

‘Evaluate’ questions: Exemplar 1

The global technology market is highly competitive.

- (c) Evaluate the importance of product quality in allowing Apple to remain competitive. You should use the information provided as well as your own knowledge of business.

(12)

Product quality is critically important, especially in the technology market, which is extremely competitive. If Apple has high quality products, such as the iPhone and the iPad, then they have a unique selling point. This creates differentiation which adds value to Apple's brand, therefore decreasing the number of effective substitutes in the market. As a result, demand for iPhones becomes price inelastic, so Apple can charge a premium price for its iPhones and iPads. This means their revenue increases, therefore widening their profit margins. Consequently, Apple's profit increases.

Having a high quality product is also vital to Apple as it means their customers' needs are met, and there are high levels of customer satisfaction. This leads to an increase in repeat purchases, which enhances Apple's reputation as a strong and reliable brand. As a result, more people buy iPhones and iPads instead of Samsung phones and tablets, increasing Apple's market share. This leads to an increase in revenue, widening the profit margin, and increasing Apple's profit.

However, quality isn't everything in allowing Apple to remain competitive and be a successful technology company. They also need to price their iPhones and iPads competitively, as if their prices are extremely higher than competitors' such as Samsung and HTC, customers will buy from competitors and Apple's sales and consequently revenue will decrease. They will also lose their reputation as a strong, leading technology brand, losing their ability to charge a premium price.

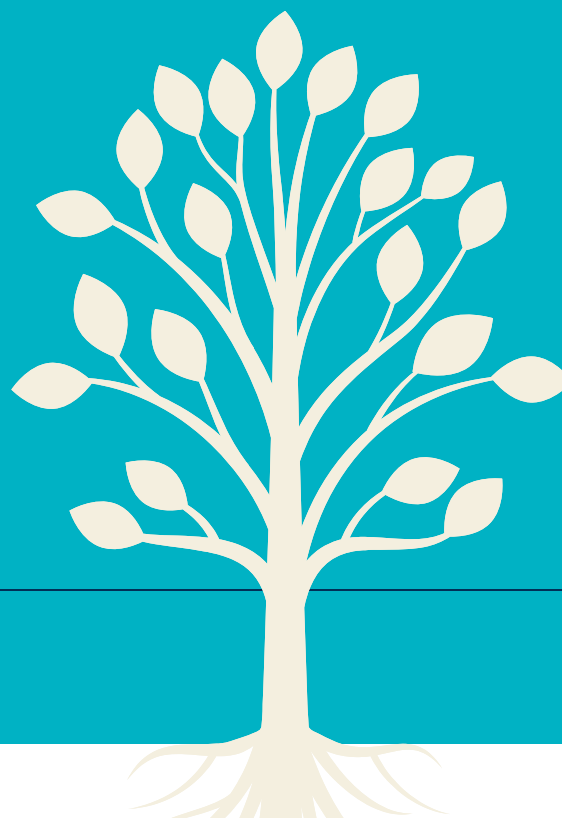
To conclude, the importance of product quality to Apple is dependent on the market segment that they are targeting. For example, in countries with low average wages, such as China, they are looking for iPhones with a low price, so quality is not quite so important to customers. However, in the Western market, where there are high incomes and high expectations, having a high quality product is absolutely critical to Apple's success and ability to remain competitive.

Marking Activity 2

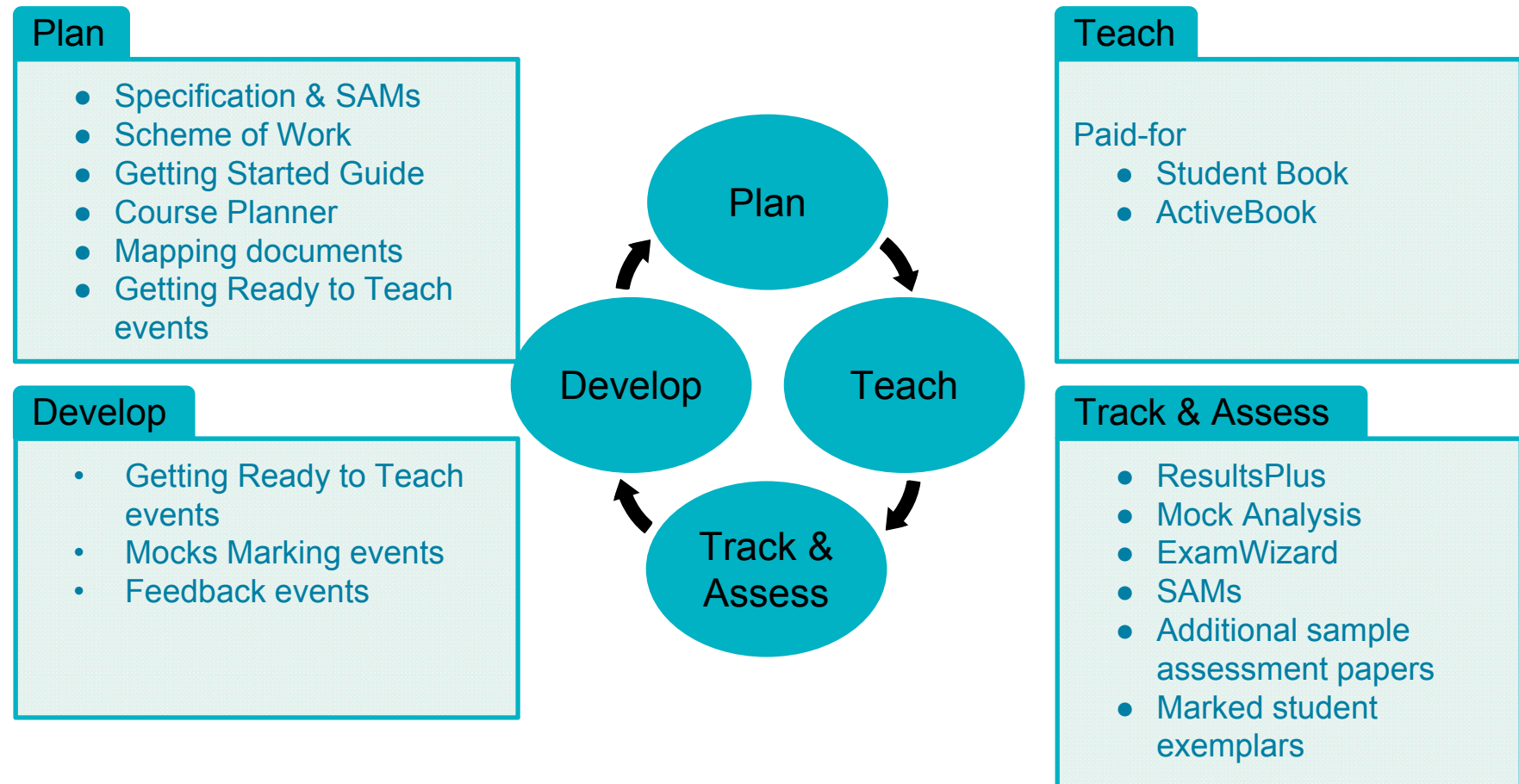
Find the overall level and mark:

- You will now read more sample student responses to ‘Analyse’, ‘Justify’ and ‘Evaluate’ questions.
- The three samples are from Paper 1 and 2 in the SAMs.
- In pairs, **determine the correct overall level and mark** for each answer
- Using the mark scheme, award an appropriate mark.

Support and Resources



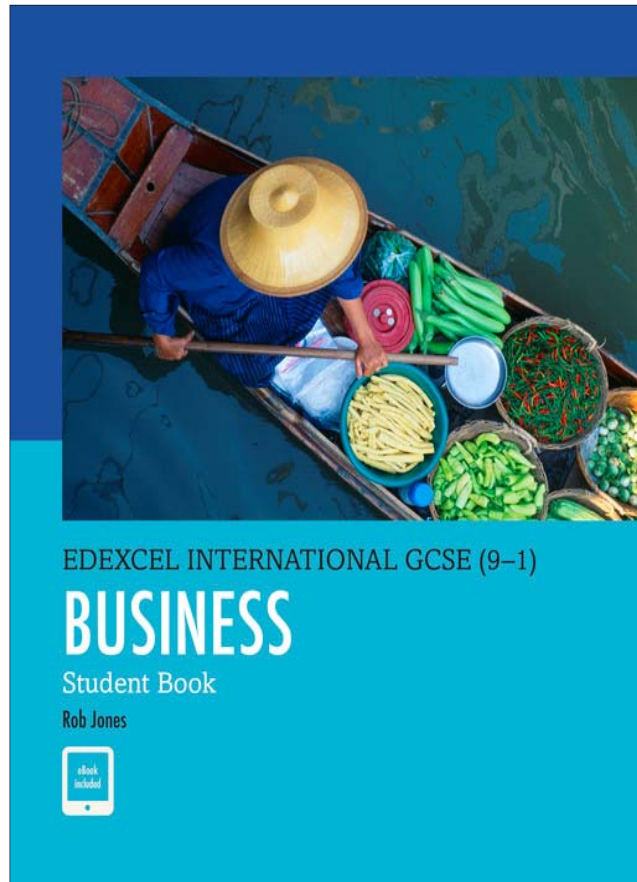
Complete support from Pearson



Free support for Pearson

- Getting Started Guide
- Editable Scheme of Work
- One further set of Extra Assessment Materials (Specimen Papers)
– *available Feb/Mar 2018*
- Marked student responses to the SAMs with examiner commentary
– *available April/May 2018*
- Subject Advisor support – Colin Leith

Published resources - Paid-for support



Textbook from Pearson

- Engaging contemporary contexts with plenty of real case studies.
- Transferable skills are explicitly signposted, allowing students to understand the skills they are gaining.
- Exam style questions and practice tests to support revision.
- Content is mapped to the specification to provide comprehensive coverage.

Student Book, eBook and Teacher materials (ALDS)

** Pearson's published resources, as well as other endorsed resources, are not a prerequisite for the delivery of our specification.*

Free support: ResultsPlus and examWizard

ResultsPlus

Provides the most detailed analysis available of your students' exam performance. This free online service:

- helps you identify topics and skills where students could benefit from further learning, helping them gain a deeper understanding
- see actual scores for each exam question for a student, class or group
- understand how your students' performance compares with class and Edexcel national averages
- acquire data that may support effective learning and teaching approaches.

examWizard

examWizard is a free exam preparation tool containing a bank of past Edexcel exam questions, mark schemes and examiners' reports for a range of GCSE and GCE subjects.

- examWizard saves you time by allowing you to create your own mock exams, topic tests, homework or revision activities in minutes linking directly to associated examiner reports and mark schemes.

Dedicated subject support

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Twitter: **@PearsonEconBus**

Email: TeachingBusiness@pearson.com

International GCSE Business subject page:

<http://qualifications.pearson.com/en/qualifications/edexcel-international-gcses-and-edexcel-certificates/international-gcse-business-2017.html>



Questions?

Thank you.

