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. Once again, 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 'total costs' and examiners were looking for references to 'all fixed costs' and 'added to all variable costs' 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.

The abbreviations TFC and TVC were accepted for two marks.

Partial explanations scored 1 mark. Although many candidates provided an accurate definition, others 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

Understanding of margin of safety was not as strong as hoped, given this is a topic identified under the requirements of the IAL Business specification. Many candidates were able to calculate the correct break-even point, but this needed to be deducted from the actual sales level in order to be correctly applied and therefore, pick up application marks.

The correct calculation of margin of safety scored all 4 marks available. Marks could be gained for showing workings, but these were not necessary if the correct answer was shown. Candidates scored full marks for a correct final answer.

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. However, some candidates demonstrated understanding of the formula for 1 x knowledge mark but failed to substitute the correct data, thus missing out on application marks.

Tip: It is important to give the answer using the correct units. By doing this, full marks can be achieved.

Question 1c

Good responses were able to analyse two economic variables. Any accurate economic variable was accepted, including unemployment, recession and interest rates (to name a few). However, responses that simply copied the extract instead of using it in the response to apply the economic variable, picked up fewer/no marks.

There were some confused responses regarding the difference between economic variables and factors (internal) which simply affect a business.

Economic variables offered were not necessarily applied and/or analysed appropriately. Stating a part of the extract in isolation is NOT application. It must be applied. To analyse, a cause or consequence is needed. '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/advantages/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/reasons/advantages 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 range of discussion about the benefits of being an Adventure Babies franchisee. Stronger responses presented chains of reasoning based on the evidence in the extracts. 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 developed chains 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 friends and family as a source of finance, they were not always able to provide developed chains of reasoning in their assessments.

The question required an applied understanding of the benefits of using this source to finance Jennifer's business and required a counter argument which focused on the negatives that could be present. Responses focusing on the repeat of large parts of the extract, do not answer the question, nor provide applied understanding or analysis/assessment. These types of response, therefore, are unlikely to progress 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 is likely to 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 'brand production' and examiners were looking for references to 'similar/the same items' and 'made together' 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

The correct fee of $178.50 was calculated by many candidates. Therefore, they scored all 4 marks. Marks could be gained 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 always a good idea to show your working, as, although an incorrect answer won't score full marks, if the formula and/or application is accurate, some marks can still be attained.

Question 2c

More able candidates were able to analyse two reasons why productivity may have improved at Belmont Estate. 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.

Analysis of supporting the local community leading to motivated worker and supporting the local community meaning workers were happy in their work, leading to increased efficiency, were often successful in scoring higher marks.

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 how a price increase may increase the profit for Belmont Estate, with many providing suitable application and development to progress through the levels.

Assessment of how increasing price could instead reduce profit was often effective and good answers included PED arguments, but some responses presented were generic and/or failed to fully answer the question. Therefore, reducing progression through the levels.

Better answers were able to apply evidence from the extracts when providing developed chains of reasoning. Examples included the relevance of selling quality chocolate flavoured by locally produced fruits in reducing the price elasticity of demand. These were typically able to achieve a mark in the top level.

Tip: The command word 'discuss' requires both sides of an argument. Some candidates only look at one side, thus reducing the chance of attaining a mark in a higher level, 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 labour-intensive production but not all were able to provide a developed assessment regarding the likely advantages for a business such as Belmont Estate.

A list showing more flexible, cheaper in the short-term and/or gave the perception of higher quality to consumers was only likely to lead to a low-level because it offered no development to answer the question. Examiners were looking for a balanced assessment of developed and logical chains of reasoning, relating to the advantages to Belmont Estate (or such a business) to progress a response to the top 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'.

Section C

Question 3

This is the highest mark question on the paper, worth 20 marks and with 4 levels. However, although those with an understanding of the topic area typically demonstrated a good ability to answer this question, some candidates struggled to apply the extracts appropriately or provide balanced arguments. 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.

Some candidates lacked understanding of the business cycle. As this is a topic identified under the requirements of the IAL Business specification, it is essential that candidates are prepared for its possible use in any question on the WBS12 paper.

Others presented a response showing just advantages and disadvantages of the business cycle but failed to evaluate these or to use them to aid the evaluation of the extent to which it is likely to affect Coles. This approach did not answer the question, meaning the response was unlikely to provide a strong match to the higher-level descriptors.

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.

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 or '**two advantages/reasons etc.** in 'analyse' 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!