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Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International Advanced Level
In Business (WBS13 01)

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Introduction

Overall, performance on this paper showed a good grasp of business concepts. Answers suggested that candidates had been well prepared for this paper. There appeared to be good use of business terminology throughout all sections of the paper.

The better candidates demonstrated excellent application of their knowledge to the question set, compared to candidates who attempted questions from a 'common sense' approach rather than demonstrating any business concepts.

The examination paper required candidates to apply their understanding; better candidates performed strongly, with clear development of points. Examination timing appeared to be very good with the majority of candidates completing the paper in the allocated time.

Report on individual questions

Question 1a: Mission statements

There was a mixed response to this question. As with previous examination papers, many candidates defined mission statements in their opening sentence. This does not gain any marks at all. The Knowledge mark was for giving a suitable benefit of having a mission statement rather than the definition of a mission statement. In addition, many candidates only scored 3 marks due to giving only one piece of Application. It is essential that there are two separate pieces of Application.

Question 1b: Three year moving average.

This has been poorly done with many incorrect responses seen. It was clear that for some candidates there were large gaps in knowledge and understanding for this part of the specification. As in previous examination papers, some candidates did not include the percentage sign in the final answer therefore could only be awarded a maximum of 3 marks. It is always advisable to show all workings including the correct formula. Answers should be given to two decimal places, as stated in the question.

Marking Levels – a holistic approach

The IAL specification continues to use marking descriptors for all levels-based questions. It is essential that centres look at these and understand how these are different to the legacy specification. The levels-based mark schemes are applied in a holistic way rather than looking for individual Assessment Objectives. This means that a candidate who attempts evaluation with some context will not necessarily be placed in the top levels and may only achieve Level 2 if the evaluation is weak. Far too many candidates are still simply copying out large sections of the Extracts with a limited attempt at evaluation; this will only achieve lower levels.

Question 1c: Porter's five forces

This was the first levels-based question on the paper and marks were awarded for the discussions of the possible impact on Patagonia of new entrants into the outdoor clothing market. Many candidates were able to discuss how new businesses might take some market share from Patagonia,

particularly if a competitive pricing strategy was adopted. For the counter argument, marks were awarded for some understanding of how Patagonia may not see any threat from new entrants due to its ethical stance and USP. Better responses used the data in the chart to support their discussion. As in previous examination papers, many candidates ignored the command word 'Discuss' and only gave a one-sided response so this limited the marks that could be awarded. A conclusion is not required for 8-mark questions.

Question 1d: Transformative leadership

This is the first 12 mark 'Assess' question on the examination paper and was marked with 4 levels. A wide range of responses were seen for this question with some very good answers. To access the higher levels, the focus had to be on transformative leadership style rather than a discussion of what is good leadership in general. Examiners looked for chains of reasoning which used the context provided to support the financial and non-financial benefits of this unique leadership style. For the counter argument, examiners were looking for the disadvantages of this type of leadership style or what other factors, such as the growing demand for outdoor clothing, as the main reasons for Patagonia's success. A simple descriptive response was more likely to achieve level 1 or level 2 at best. The counter argument often lacked context in comparison to the importance of using transformative leadership. A conclusion/judgement is required for 12-mark questions but was not often seen.

Question 1e: Stakeholders v Shareholders

The responses seen for this question were much better than the previous question with many candidates being able to give both the positive and negative impacts on shareholders from Patagonia's commitment to the environment. Some candidates could apply the information in the extracts but unfortunately some candidates simply copied out large chunks of the extract which does not gain any marks. Better responses considered how Patagonia's commitment to the environment could result in an increase in brand loyalty and therefore financially benefit the shareholders in the long term. Some candidates considered the positive impact on sales, revenue and profits from caring about the environment rather than just dividends. For the counter argument, better responses discussed the potential conflict that could arise from giving so much money to protect the environment and how many shareholders are only interested in the return on their investment. Again, a conclusion was required for this question but was this often missing.

Question 2: Contingency planning

This question was very popular, and examiners did see some very detailed evaluations of the benefits of contingency planning for IKEA. At the opposite end of the scale, some candidates simply copied out or paraphrased large parts of the extracts without adding any business concepts or theories to this. As with previous series, largely descriptive responses are unlikely to access the higher levels. To access the higher levels, examiners rewarded developed chains of reasoning and the use of business theory/concepts rather than a 'common sense' evaluation. A conclusion was required but often was a repeat of earlier points.

Question 3: Financial ratios

This question was poorly done in comparison with Question 2 with many candidates just paraphrasing the extracts and describing the events at ASOS. It was clear that many candidates did not read the question carefully and completely ignore the financial data provided. At the other end of the scale, some candidates only carried out financial ratios without then using the results from the ratios to evaluate the survival plan. For the higher levels, examiners looked for more developed chains of reasoning supported by use of data and calculations. Overall, the performance and the quality of evaluation was significantly weaker compared to Question 2. A conclusion was required as to whether they thought the survival plan would improve ASOS' financial position.

Paper Summary

There are several points which could raise performance in future sittings. Based on their performance on this paper candidates are offered the following advice:

- Read the questions carefully in terms of the command words. It was clear that some candidates were not aware of the demands of the question or how to structure their responses.
- Quantitative Skills will be tested throughout the paper, and these may be in the form of calculations, diagrams or using the data from the Extracts.
- For calculation questions, it is essential that the answer has the correct units or is to two decimal places (if specified).
- If there is an 'Explain' question it will always have two Application marks so ensure that there is enough context in the response to gain both marks.
- Do not define the key term in the 'Explain' questions. The Knowledge mark is for the way, the reason, the benefit, the impact or the aim.
- Discuss – this question requires both sides of an argument and is not one-sided. A conclusion is not required.
- The command words 'Assess and 'Evaluate' are evaluative command words so candidates must provide both sides of a business argument in order to achieve full marks with a supported conclusion/judgement.

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