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Edexcel**

Examiners' Report

Principal Examiner Feedback

October 2023

Pearson Edexcel International Advanced Level

In Business (WBS14) Paper 01

Unit 4: Global Business

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October 2023

Publications Code WBS14_01_ER_2310

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This proved to be another accessible exam paper for most students. The questions discriminated well, with candidates accessing a wide range of marks, with some good, and occasionally very good, responses to the questions set.

Strong candidates did well, with some excellent and thoughtful responses, particularly for the longer questions. By contrast, there were also some very weak responses that showed little understanding of, or even familiarity with, the specification content.

The main reasons for some students underachieving were the usual ones of not heeding command words and not reading the questions carefully enough. Once again, command words are still being ignored by a sizeable number. Instructions to 'Assess' and 'Evaluate' were not followed by some candidates.

Some of the students missed out on marks because they did not answer the question that was set. Q3 proved to be a particular problem for many candidates who either did not know anything about Porter's matrix or confused it with Porter's five forces.

It is worth reminding future students of the need to apply proper context to all responses. Repeating generic or stock answers, or just copying the text from the case study will not access the higher levels of the mark scheme.

SECTION A

Question 1a

This was a straightforward start to the paper for many candidates. There were several disadvantages of operating in a saturated market that could have been applied to this question. Most candidates wrote about the difficulty in expanding sales or the tough competition.

It is worth repeating that on this type of question a definition is not needed and does not achieve any marks. By contrast, there are two marks available for application or a contextualised response and many candidates are still missing out on these marks.

Question 1b

For most candidates an easy 4 marks although some dropped a mark by not including a percentage sign in the answer.

Question 1c

Most understood some of the benefits of a merger, although not all applied this to the context of a saturated market as per the question. Common arguments were a reduction in competition, possible

economies of scale, synergy and rationalisation. Balance was invariably seen as the risk of a culture clash and subsequent failure to deliver the expected benefits.

Question 1d

Outsourcing was generally well understood as a concept but some still confused it with just locating the business overseas. Some candidates struggled in showing just how outsourcing could improve cost competitiveness, with many just assuming that labour from overseas would be cheaper and therefore all would be well. Better responses looked at how an external provider might be able to offer a more efficient and skilled service, give increased flexibility and allow the outsourcing business to focus on core competencies. Balance was often the dangers of possible loss of control, poor communications and loss of quality.

Question 1e

This was the less well-answered of the two 12 mark questions. Some candidates struggled with the meaning of return on investment, or misinterpreted the question and wrote about how to measure it with investment appraisal techniques. As a result they struggled to gain many marks. Even those that did understand the term often dismissed it without development and then launched into a long list of other factors that might have influenced where a business chooses a production location. Some good answers looked at how the objectives of shareholders might be important and the possible trade-off between the short and long term situation.

SECTION B

Both case studies and questions were accessible to well informed students and acted as good platforms from which they could build convincing answers. However, many students had a problem with Q3 and Porter's matrix. They had either not revised it or even learned about it and a significant number confused it with Porter's 5 forces. Either way, their responses were unable to gain many, if any marks.

As has been pointed out in previous reports, the reasons that students that did not do so well in the 20 mark questions, were usually because they had simply copied out, or re-written, the evidence with little or no attempt at analysis or evaluation. Good conclusions were rare, simply re-writing previously made points added little to the answer. The use of examples beyond the case studies was disappointingly rare.

Once again, the key to doing well in these longer questions is to fully develop the chains of reasoning, look at the competing arguments and support them with evidence before reaching a supported conclusion or judgement.

Question 2

Ethics are a popular topic and for the most part candidates were able to say why they could be considered important for a global business. Arguments were usually based on the need to maintain a positive image in order to attract and maintain environmentally concerned consumers. Some considered the need to treat employees in an ethical manner to increase loyalty and productivity and reduce staff turnover. Balance was usually seen in terms of the increased costs in creating and maintaining an ethical approach versus the potential benefits. Good responses went further to look at whether unethical behaviour really did matter to all consumers and used the case study to make this point.

Question 3

For a significant number of candidates it was clear that they knew little, or nothing, about Porter's matrix. This meant that they struggled to produce a meaningful response and often just wrote about the Vietnamese cosmetics market in general terms. This sort of answer did not score highly. The obvious lesson to be drawn here is of the need to be familiar with all parts of the specification.

Because of the reasons above, this question was not as well answered as question 2. Nevertheless, there were some very good answers that picked up on the clues in the extract to discuss the different ways that Porter's matrix could be used to enter the Vietnamese cosmetics market. Cost leadership differentiation and focus were all convincingly applied to different parts of the market. Good balance was achieved by looking at the rapidly changing nature of the economy and how this affected the usefulness of Porter's matrix. Many stated the need to use other analytical tools and market research in conjunction with Porter in order to make a fully informed strategy.

There was very little evidence to suggest that candidates did not have enough time to complete the paper.

Based on their performance on this paper, candidates are offered the following advice:

- Do read the question carefully and answer the question that is set
- Do watch out for command words such as Assess or Evaluate
- Do use examples to illustrate your argument
- Do use the language of the subject and avoid generalities
- Do watch your timing and do not spend too long on one question
- Do write concisely (and neatly please!)
- Do add a relevant conclusion to the longer questions