Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International GCSE
In Business (4BS1) Paper 1

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General comments

Both paper 1 and 2 allow learners to apply theory to realistic contexts. This paper is based on As We Grow (AWG), Iceland, which proved accessible to candidates. Many candidates showcased evidence of their understanding of Business from studying this course. However, providing answers on the given scenario still seems to present some difficulty for some learners which restricted their entry to the higher levels. Centres are encouraged to work closely with their learners to encourage them to revisit the scenario set and encourage them to practice answering questions in the context of the scenario set.

Centres are advised to look at the command words outlined on page 31 of the specification as many learners are losing marks through their lack of understanding of these words, in particular the 'State' questions. For example, 'State in question 1 (d) required learners to 'State one likely variable cost for AWG'. To achieve full marks the answer must be in context to the given scenario but a lot of learners provided a variable cost with no context to AWG.

To assist centres in their preparation for future examinations it is worth noting that the mark scheme does include the Assessment Objectives (AO) for all questions. The breakdown for each AO can be seen on page 7 of the Getting Started to Teach guide. Questions 2 (f) and 3 (e) were poorly answered. For analysis (AO3) and evaluation (AO4) responses candidates are asked to write an extended answer using the information provided within the paper.

The time provided for the paper was sufficient and the paper differentiated well. Most gaps were found in questions 2 (f) and 3 (e) where learners did not show in depth knowledge of how to answer a 'Justify' question. Learners showed clear knowledge of the two options for AWG but often were unaware there are no AO1 marks available for these questions and they are being tested on application (AO2), analysis (AO3) and evaluation (AO4) skills to be able to successful recommend one of the options to AWG.

Overall, learners responded well to the paper.

Comments on individual questions.

Question 1

Generally, the multiple-choice questions were well answered. Questions 1 (a) (i) through to 1 a (iv) saw many candidates gaining the mark for each question. Question 1 (a) (iii) saw more than three quarters of candidates gaining a mark with most candidates gaining a mark for question 1 (a) (v) showing good knowledge of internal source of finance.
Question 1 (b) – this question saw around two thirds of candidates correctly define the term profit.
Question 1 (c) – most candidates were able to correctly define the term span of control, although some candidates confused this with hierarchical levels within an organisation structure.
Question 1 (d) – this question saw over half of canididates gaining the mark for this question by being able to correctly identify a likely variable cost for AWG, those who did not gain the mark often missed out the contextual link to AWG. Even if the candidate did state a variable cost, without a contextualise response they cannot achieve the mark.
Question 1 (e) – a calculation question where around two thirds of candidates gained full marks for the new price of the jumper in the promotional sale. Some candidates gained a mark for calculating the discount but they did not then go on to apply the discount therefore not gaining the second mark.
Question 1 (f) – a question where over a third of candidates were able to identify a benefit to a business that operates as a sole trader and then go on to explain this benefit to gain the full three marks available. One third of candidates gained a mark for identifying a benefit of operating as a sole trader but then did not go on to explain this benefit therefore only achieving one mark. Candidates who list more than one benefit can only gain one mark.
Question 1 (g) – candidates must be reminded that there are no AO1 marks for this question, there are AO2 marks for this level-based question as often candidates would provide an extended answer but not apply this answer to the context of AWG therefore not allowing themselves to move into the top of level 2. Most marks gained by candidates were within the level 2 band for this particular question.

Question 2

Question 2 (a) – a 'State' question which was not well answered by candidates. Candidates were sometimes able to generically offer a non-financial method of motivation but did not apply this method to AWG. Few candidates were able to correctly identify a non-financial method of motivation and put this in context to the business. In other cases, candidates offered a financial method of motivation, whether in context or not, this cannot be awarded a mark as it does not answer the question.
Question 2 (b) – again, another 'State' question which was not well answered by candidates. Only one tenth of candidates were able to correctly identify a task of an AWG employee working in the human resources department. Centres must remind candidates that 'State' questions need to be in the context of the given business, a lot of candidates are currently being disadvantaged by not being taught this skill.

Question 2 (c) – this was a well answered question showing good knowledge on the topic of globalisation and the benefit to a small business. Candidates were able to identify a benefit to a small business of globalisation and then go on the explain this benefit with almost two thirds of candidates gaining either two or three marks on this question.

Question 2 (d) – just over half of candidates gained 2 or more marks for this question as they were able to correctly identify a below-the-line method of promotion a business may use to retain its customers and go on to develop this answer. Where those candidates did not gain the higher marks was due to identifying a below-the-line method of promotion but not then developing the answer or providing a list of ways of how social media can be used by a business. Some candidates missed out on the marks due to lack of knowledge or confusing the methods and providing an above-the-line method of promotion.

Question 2 (e) – this question saw over two thirds of candidates gaining 2 or more marks as they were able to correctly identify a benefit to a business of using market segmentation to target its customers and then go on to develop the answer.

Question 2 (f) – for this question candidates were asked to choose between using venture capital to open new stores or start offering franchises as a way for AWG to expand its business with additional finance. Those candidates who gained no marks on this response simply showed knowledge of one or both options with no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to AWG but this was not always expanded upon in their answer. Around half of candidates accessed level 2 by expanding on their answers but often missing balance and concluding their thoughts. More able candidates accessed level 3 by considering their chosen option in the context of AWG and how this would impact their image, linking their points together and concluding their answer with balance and justification.

Question 3

Question 3 (a) – a well answered question where most candidates were able to correctly define the term job production.

Question 3 (b) – a question where just over half of candidates gained the full marks available as they were able to correct outline why AWG can be classified as operating the secondary sector and expanded on this response.

Question 3 (c) – a well answered calculation question where over three quarters of candidates have gained at least one mark with over two thirds gaining all of the marks available.

Question 3 (d) – a question where over one third quarter of candidates did not gain any marks due to a lack of knowledge of the impact of depreciation of currency. Those candidates who accessed level 3 carefully considered how the depreciation of the ISK would impact on AWG with most referencing the impact on imports as well as exports. Some candidates were disadvantaged when they did not apply their answer to AWG as they cannot access the top of level 2 without any application.

Question 3 (e) – for this question candidates were asked to choose between two pricing methods: competition pricing and cost plus pricing when AWG launches a new range of clothing. One tenth of the candidates who gained no marks on this response simply showed knowledge of one or both options with

no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to AWG but this was not always expanded upon in their answer. More able candidates accessed level 3 by considering their chosen option in the context of AWG and how this would impact the business when deciding which method of pricing to choose, they have linked their points together and concluded their answer with balance and justification.

Question 4

Question 4 (a) – a calculation question which has been well answered by candidates. Around two thirds of the candidates have been able to successfully calculate the commission payment to an employee for selling 12 jumpers. It is clear to see centres have encouraged candidates to include their working out as often candidates have gained a mark for their calculation despite their final answer being incorrect.

Question 4 (b) – a question which showed a lack of knowledge of Kaizen as over one third of candidates did not gain any marks on this question. Those candidates who accessed level 3 did so by detailed analysis how Kaizen could affect the business, linked it well to AWG and and some candidates went on to link it to other information given about the business throughout the paper.

Question 4 (c) – centres are reminded that this is the only level-based question in the paper which is equally weighted across all four assessment objectives.

It is pleasing to see that on the whole most candidates made an attempt at this question.

Candidates at level 1 made some attempt at the question and were able to make basic statements about social objectives or were able to list various social objectives often without any reference to AWG or any development of their answer.

Those candidates who accessed level 3 considered the impact on AWG of having social objectives when planning to grow the business and have successfully linked their points together in a logical order and been able to conclude their answer with a well balance and justified argument.