



# **Examiners' Report June 2024**

**Int GCSE Business 4BS1 02**

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## Introduction

Candidates appeared to find the paper accessible and were able to complete the paper in the given time. For the majority of the questions candidates were well prepared and were able to apply their knowledge, analyse and evaluate responses to questions. However, as in previous series a number of candidates are still struggling with the 'State' and 'Outline' questions.

Many candidates had gained a great deal of knowledge and understanding from studying the course. Although there are a number of candidates who it appears do not read the questions and give detailed knowledge of the topic. All scenarios for the paper are real life businesses, and some may interest candidates more than others.

It is worth remembering that questions can be taken from any part of the specification, therefore candidates should ensure that they are familiar with all sections. From some of the clips seen some candidates had not covered the full specification.

## Question 1 (b)

This question proved to be more difficult for some candidates to answer, by not being able to 'define' what the term franchise actually meant. Only a small proportion of the candidates gained the mark available. A number of responses mentioned 'it is a chain of businesses with same name, logo etc' which is not a definition. Candidates must ensure that they give a true definition of the term.

It is worth practising these types of questions to allow candidates to understand the difference between a definition and an explanation of the term.

(b) Define the term **franchise**.

(1)

A liscence given to an entrepreneur to run another business.



This response does not give a clear definition of what a franchise is.

0 mark.

(b) Define the term **franchise**.

(1)

A structure where a business (franchisor) allows someone (franchisee) to trade under their name.



Response given is a definition of franchise and worthy of a mark.

1 mark

## Question 1 (c)

Another define question where candidates were asked to define 'profit'. This question was answered slightly better by candidates than question 1b. As mentioned candidates should try and avoid using the word in the definition in their response. Defining profit as money you make is not clear and not a specific definition.

(c) Define the term **profit**.

(1)

The amount of money made excluding expenses and costs such as tax and rent.



The response is not a clear definition of the term profit.

0 mark

(c) Define the term **profit**.

(1)

from sales  
Money left over after taking out the cost.  
Profit = Total Revenue - Total cost



Response is a definition of profit. Profit = revenue - total costs.

1 mark

## Question 1 (d)

The first of the 'State' questions, where candidate must relate their response to the business of why TUI would pay its employees above the minimum wage. As in previous series many candidates will give a correct answer, however it will not be in context of TUI and therefore will not gain the mark available. Also just putting TUI in the response does not mean it is in context as TUI is in the question.

(d) State **one** reason why TUI pays its employees above the minimum wage.

(1)

This will motivate TUI's workers to provide a better services to the couples, families ect who buy their services, so they provide the knowlage of TUI'S 100 years of experience.



The response clearly understands the reason why TUI pays its employees above the minimum wage, but there is no reference to TUI about holidays, cruises etc.

0 mark



Make sure that a 'state' or 'outline' question is in context.

(d) State **one** reason why TUI pays its employees above the minimum wage.

(1)

~~It is a legal~~ Decreases chances of employees  
~~working~~ leaving TUI for one of their  
competitors.



Response is not in the context of Tui, even though is mentioned. If the response had included the name of a competitor that would have put it in context.

0 mark

## Question 1 (e)

The first of the calculate questions. Candidates should be encouraged to show all their workings for all calculation questions. They can gain a mark for the correct working out of the answer even though the actual answer might not be correct. Candidates should also be encouraged to ensure that they write their answer on the dotted line at the bottom of the box, so the examiner can clearly see what the answer is. It is also worth reiterating to candidates to ensure that their figures are easily recognisable, thus avoiding any confusion by the examiner.

Most candidates are able to answer the calculate question gaining full marks.

TUI is charging an adult £725.92 for a week in Cyprus. If booked online there is a discount of 12.5%.

(e) Calculate the total price of a holiday for **two** adults with a 12.5% promotional discount for booking online. You are advised to show your working.

(2)

$725.92 \times 2 = \underline{\pounds 1451.84}$

$\pounds 1451.84 \times 0.875$   
 $= \underline{\pounds 1270.36}$

$\pounds 1270$



This is a good example of what some candidates do when answering this type of question.

The correct answer is there in the middle of the box, but for some reason when the response was written on the dotted lines the candidate has missed off the decimals point.

So the answer is wrong.

0 mark



Ensure that the answer is written correctly on the dotted lines.

TUI is charging an adult £725.92 for a week in Cyprus. If booked online there is a discount of 12.5%.

- (e) Calculate the total price of a holiday for **two** adults with a 12.5% promotional discount for booking online. You are advised to show your working.

(2)

$$\frac{100 - 12.5}{100} = 0.875 \times 725.92$$

~~= 7~~

$$= 635.18$$

£ 635.18



The candidate's response includes only part of the answer.

Therefore worthy of 1 mark.

## Question 1 (f)

This question is the first of the 'explain' questions. The question requires candidates to 'Explain **one** of the factors in Herzberg's motivational theory'. This seemed to be a question that some candidates struggled with. There are two factors, one is motivational and the other one is hygiene. Once a candidate has decided on which one of the factors it then needs to be developed to gain the 3 marks available. Most candidates appeared to have confused the factors but some were able to give valid reasoning of the factor chosen.

It is important that candidates do read the question to ensure that they know what answer they are going to give. This ensures that they answer what the question asks for.

(f) Explain **one** of the factors in Herzberg's motivational theory.

(3)

~~On the bottom of Herzberg's~~  
A factor of Herzberg's motivational theory is a hygiene factor, these are things such as a liveable wage safe and secure workplace and cleanliness around the workplace. Without these factors motivation cannot happen as these are basic needs.



**ResultsPlus**  
Examiner Comments

This response demonstrates accurate knowledge of the hygiene factor of Herzberg's motivation theory and gained 2 marks.

3 marks



**ResultsPlus**  
Examiner Tip

Centres are encouraged to ensure that for 'explain' questions candidates only need to explain one factor as opposed to listing.

(f) Explain **one** of the factors in Herzberg's motivational theory.

(3)

Herzberg's motivation theory states that both hygiene factors and motivational factors have to exist in a business. Hygiene factors are the factors that demotivate work but motivational factors are to motivate the employees. When both factors exist, Herzberg states that it can increase the motivation of the workers that hygiene factors can demotivate the workers, so they have more motivation and they are not afraid about the hygiene factors they will become more motivated and their productivity will increase.



**ResultsPlus**  
Examiners Comments

A detailed explanation of Herzberg's Motivation theory and application.

3 marks

## Question 1 (g)

An 'analyse' question which tests two of the Assessment Objectives, or AO's. These being AO2 'Application' and AO3 'Analysis'. Therefore to gain the marks available candidates need to demonstrate both of these skills within their answer.

This is the first question in the paper that is marked by Levels. Candidates were asked to 'analyse' the benefits for TUI from including health and safety training for its employees in their induction training. For candidates to gain the marks available they need to apply the information and then analyse it. Often candidates tended to describe what health and safety training was and did not relate it to TUI. The majority of candidates gained a Level 2 mark for this question.

It is worth reminding candidates that examiners will look at their response 'holistically'. This means have they applied their knowledge to the scenario and have they analysed the information. A decision will then be made as to where the response 'best fits' into the Levels.

Candidates are reminded that there are no marks for knowledge in this question and their response must be in the context of TUI.

(g) Analyse the benefits for TUI from including health and safety training for its employees in their induction training.

(6)

TUI including health and safety training will fit into Herzberg's hygiene factors within his motivation theory. This will allow employees to feel satisfied with the ~~work~~ conditions of the business and will allow for employees to be more easily motivated later on, which leads to greater productivity, thus likely increasing holiday activity sales. Another benefit is it ~~will~~ aids in the reputation of TUI as a business, as if there is an incident on a flight or on a holiday that requires first aid, employees will ~~be~~ know how to handle with the situation, thus discouraging any negative news stories ~~back~~ of incidents on TUI's planes that could potentially hinder TUI's sales or customer loyalty.



This response clearly understands the benefits for TUI from including health and safety training for its employees in their induction training. Stating that the employees are satisfied with the training, reference to customers on holiday and their safety is important.

The response shows that there is sound application of knowledge and business understanding.

Level 3 – 5 marks

(g) Analyse the benefits for TUI from including health and safety training for its employees in their induction training.

(6)

A benefit for TUI including health and safety is that if an employee does get hurt or sick they will be able to know what to do or they can prevent it from happening in the first place. This is good for TUI because there will be less employees getting hurt and having to take time off cause if they do take time off TUI will have to find a substitute and maybe it will be hard for them to find someone as good. Another reason is that if an employee gets badly hurt and has to leave maybe the other employees don't want that to happen to them so they will leave the TUI job and if TUI loses alot of employees they will have to stop providing some of thier activities so less customers will come so less income into the business.



Limited application of the benefits of TUI from including health and safety training. No development of the benefits for the business, mainly comments on the employees.

Level 1 - 2 marks

## Question 2 (a)

Another 'state' question where candidates were asked to state one possible reason why TUI would want to keep its customers loyal. For candidates to gain the mark available they must put their response in context. Often candidates will give an answer that is correct, but not in the context of TUI, so therefore will not gain the mark available.

It is well worth practising these types of questions so that candidates are fully aware of what is required in their response.

- 2** TUI has employees throughout the world. Some are employed to greet customers arriving at their holiday destination by air, rail or road. Others sell trips and excursions to customers once they reach their holiday destination. TUI prides itself on looking after all its employees and making sure that their needs are met.

(a) State **one** possible reason why TUI would want to keep its customers loyal.

(1)

Because if it's customers are loyal they will always come back / revisit the hotel.



**ResultsPlus**  
Examiner Comments

The response is correct as to why TUI would want to keep its customers loyal. It is a 'state' question so the response needed to be in context, the comment towards the end about revisit the hotel, puts it in context.

1 mark

2 TUI has employees throughout the world. Some are employed to greet customers arriving at their holiday destination by air, rail or road. Others sell trips and excursions to customers once they reach their holiday destination. TUI prides itself on looking after all its employees and making sure that their needs are met.

(a) State **one** possible reason why TUI would want to keep its customers loyal.

(1)

In order to have repeat custom and a positive reputation this can lead to customers going on ~~at~~ numerous holidays with the business. TUI



Again a good response and in context, holidays is not in the question so the candidate has taken it from the stem of the question.

1 mark.

## Question 2 (b)

Another 'state' question where candidates were asked to state one possible reason why TUI would employ casual employees. As mentioned previously state questions are AO2 (Application) hence there must be some evidence of application or context within the response. Most candidates gave a valid reason but there were a number that did not put the response in context of TUI, and therefore did not gain the mark.

It is certainly well worth candidates practising these types of questions to ensure they fully understand what is required in the question.

(b) State **one** reason why TUI would employ casual employees.

(1)

By employing casual employees, they will always be available when customers may need assistant like car hire.



**ResultsPlus**  
Examiner Comments

The response is worthy of a mark as it is in context, the mentioning of customers wanting to hire cars is relevant.

1 mark

(b) State **one** reason why TUI would employ casual employees.

(1)

To do all of the paper work.



**ResultsPlus**  
Examiner Comments

The response is not in context.

0 mark

## Question 2 (c)

An 'explain' question. This response does **not** have to be in context of TUI. The Assessment Objective being tested is AO1 (Knowledge). Candidates were asked to give one reason why businesses employ people with disabilities. Most candidates understood why businesses do employ people with disabilities and were able to develop their response. A number related their response to TUI which is acceptable although not asked for.

If a candidate gives more than one reason then they are unable to gain the full marks, the question asks for one reason and the reason should then be developed to gain the further two marks. Again it is recommended that candidates read the question a couple of times before beginning to answer to ensure that they fully understand what is required.

(c) Explain **one** reason why businesses employ people with disabilities.

(3)

When a business employs someone with disabilities they ~~feel~~ get a good image from the public. This means that customers will be willing to buy from them to support the business ~~if~~ because of their actions. More customers will result in more sales.



**ResultsPlus**  
Examiner Comments

A clear reason given for why businesses employ people with disabilities and a reason why.

3 marks awarded.

(c) Explain **one** reason why businesses employ people with disabilities.

(3)

~~I agree~~ There is legislation stating businesses must hire people regardless of having disabilities. This increases equality. Everyone deserves equal opportunities.



**ResultsPlus**  
Examiner Comments

This response gives one reason why businesses employ people with a disability but there is no development.

1 mark

## Question 2 (d)

An 'explain' question which required knowledge and does not need to be in context. The question asked for one benefit to a business of having a short chain of command. Most candidates understood the reason why and then developed their response. Most gained the three marks available for this question.

(d) Explain **one** benefit to a business of having a short chain of command.

(3)

A business would ~~control~~ communicate quicker.  
This is because there are short layers in the hierarchy and messages could be sent faster. This results in less mistakes made as the message is less likely to be misinterpreted so the business would be more productive.



**ResultsPlus**  
Examiner Comments

The response includes one reason why having a short chain of command is beneficial, because communication is quicker. This is then developed by commenting on messages are sent faster, resulting in less mistakes.

3 marks

(d) Explain **one** benefit to a business of having a short chain of command.

(3)

faster command response. because  
the staff have more power  
to make decisions. this will  
~~decrease the number of sa~~  
decrease the number of mistakes  
happens in the business. so  
more profit is earned.



**ResultsPlus**  
Examiner Comments

Very little detail is given in this response and it is not clear what the benefit is.

0 mark

## Question 2 (e)

This question is another 'explain' question where one important piece of information that should be included in a job advertisement in a newspaper. Perhaps candidates are not aware of what a newspaper is and therefore did not answer the question in detail. The question requires knowledge and as mentioned earlier does not have to be in context.

Most responses understood some information that should be included but then did not develop their response.

(e) Explain **one** important piece of information that should be included in a job advertisement in a newspaper.

(3)

Hours required to work because  
people might not disagree <sup>and not want the</sup> ~~therefore~~ job.  
<sup>Therefore</sup> <sup>^</sup> the business will waste time and  
money interviewing people who aren't  
up for the job, leading to



The candidate has referred to hours of work that should be included in a job advertisement which is relevant and then justifies the reason why for the choice.

3 marks

(e) Explain **one** important piece of information that should be included in a job advertisement in a newspaper.

(3)

Salaries can be a great ~~use~~ of information as it will attract people into working in TUI and ~~this can help~~ TUI <sup>can</sup> to get better workers for their business, <sup>as</sup> that can ~~help~~ ~~help~~ TUI to hire lead to TUI hiring potential workers.



**ResultsPlus**  
Examiner Comments

The response clearly understands that to attract future employees the salary needs to be acceptable. The response is in context but as the question is an 'explain' it does not have to be and is not negatively marked.

3 marks

## Question 2 (f)

This is the first question where candidates have to choose between two options, either competition pricing, or promotional pricing. The question asks candidates to consider **one** option, however if candidates compare the two options that is acceptable. Candidates should be careful to avoid giving detailed knowledge of the option or two options, as there are no knowledge marks available for this question, even though it is Level marked.

This question asks candidates to 'justify' either of the options and as the question is marked to Levels 'evaluative' (Assessment Objective 4) AO4 comments are now required. Again candidates should read through the scenario first and then the question so that they fully understand what the question is about. This can avoid candidates just giving detailed knowledge of the two options.

There were some candidates that confused the two options and what they actually are. Again, if candidates do need to write on additional sheets they must indicate clearly on the question so that examiners are aware. Also ensuring on the additional pages they put the question number they are answering.

The travel market that TUI operates in is very competitive, with many different businesses offering the same holidays at the same venues. When TUI introduces a new holiday or experience it has to consider the pricing strategy it will use. For its new holiday destination in Sri Lanka it is considering two options:

**Option 1:** competition pricing

**Option 2:** promotional pricing.

1. Attract more customers
2. Competition
3. costly
- 4.

(f) Justify which **one** of these two options TUI should choose.

(9)

By TUI using promotional pricing it may be suitable since more customers would ~~be~~ want to purchase hotels and ocean-going cruises since they are being offered ~~discounts~~ promotions or discounts. Therefore it will increase sales for TUI. As a result a ~~higher~~ market share will rise.

By TUI using competition pricing it may not be suitable as managers would have to ~~be~~ check on competitors prices <sup>which is hard</sup> which may pile up their work which was assigned to them with having to check on ~~the~~ the prices competitors offer for the 180 destinations ~~if~~ TUI offers including Greece, Turkey and Spain. Therefore it will be stressful for managers to cope up with all the work which would de-motivate them. As a result labour turn-over will increase.

However, by TUI using promotional

pricing it may not be suitable since TUI will have to offer river cruises for 27 million customers at a lower price than usual. Therefore it will increase expenses and ~~decrease~~ <sup>decrease</sup> profit. As a result TUI's profit margin will reduce.

In conclusion, since TUI is a holiday business that has been in (Total for Question 2 = 20 marks)

the industry for over 100 years more customers would want to purchase from TUI as they are a recognised company which then would increase sales and lead to a higher revenue being earned where they will have sufficient money to cover their cost by providing customers with promotions. Therefore promotional pricing is more suitable for TUI.



**ResultsPlus**  
Examiner Comments

The response has a clear understanding of the two types of pricing and justifies why each one would be chosen with a reason why. Relevant comments are made about each option showing sound application of knowledge and understanding. However there are limited interconnected points and chains of reasoning. Gaining a Level 3.

Level 3 – 7 marks

The travel market that TUI operates in is very competitive, with many different businesses offering the same holidays at the same venues. When TUI introduces a new holiday or experience it has to consider the pricing strategy it will use. For its new holiday destination in Sri Lanka it is considering two options:

**Option 1:** competition pricing

**Option 2:** promotional pricing.

(f) Justify which **one** of these two options TUI should choose.

(9)

Competition pricing means that TUI will be pricing their ~~cost~~ sale price the same as the market price so TUI will be able to have higher profits per sale of holiday packages to locations ~~for~~ such as Sri Lanka, Greece and Turkey do to them not ~~offer~~ offering an excessively low sale price.

Promotional pricing in an competitive markets such as ~~a~~ <sup>the</sup> travel market may lead to a price war between TUI and other traveling Agency as each agency will be trying to offer better deals and attract more customers, therefore TUI may have to drop the selling price drastically to maintain customers.

However since there are many ~~agencies~~ <sup>agency</sup> offering the same ~~for~~ holiday packages at a similar price TUI may not be able to attract customers making its new Holiday Package a failure. However because TUI has a 100 years of experience alongside 27 million customers, they will

Still be able to generate sales due to their customers loyalty and their recognition.

Therefore competition pricing is the better option



**ResultsPlus**  
Examiner Comments

The response shows knowledge of the two pricing options, but with limited development and evaluative comments.

Level 2 - 4 marks

### Question 3 (a)

A 'define' question where candidates were asked to define the term 'multinationals'. Most candidates clearly understood what the question asked and were able to give a correct definition.

As mentioned previously candidates should try and avoid using the word in the response, showing that they clearly understand what the question is asking.

- 3** TUI wants to maintain its reputation by continuing to provide quality holidays and experiences that customers will enjoy. This will encourage them to return to book future holidays with TUI.

(a) Define the term **multinationals**.

(1)

Be Business organisations that operate in more than one country.



Response worthy of a mark giving a definition of multinationals.

1 mark

3 TUI wants to maintain its reputation by continuing to provide quality holidays and experiences that customers will enjoy. This will encourage them to return to book future holidays with TUI.

(a) Define the term **multinationals**.

(1)

Defin Dealing with outside the national country.



**ResultsPlus**  
Examiner Comments

Response is not a clear definition.

0 mark

### Question 3 (b)

An 'outline' question which is very similar to a 'state' question where candidates have to put their response in the context of the business. 'Outline' questions are AO2 (Application) questions. To score the two marks available there must be development of the response as well as it being applied to the scenario.

This question was not well answered by the majority of candidates. Most were able to give a reason, but did not put it in context of TUI. Again as mentioned previously using the word TUI does not put it in context, and also using phrases from the question does not put the answer in context.

(b) Outline **one** reason why TUI offers employees working in its travel agencies a commission based on the number of holidays they sell.

(2)

In order for the 1600 travelling agencies to stay motivated to sell more holidays. Hence bookings arise in Greece and Turkey helping to improve the sales and profits.



**ResultsPlus**  
Examiner Comments

The response is in context by mentioning bookings in Greece and Turkey and the comment is developed by the travel agencies will sell more holidays.

2 marks.

(b) Outline **one** reason why TUI offers employees working in its travel agencies a commission based on the number of holidays they sell.

(2)

This would be in order to motivate TUI employees to try their hardest to sell holidays; potentially offering the best customer service they can. This would be as TUI employees would receive a cut for themselves.



**ResultsPlus**  
Examiner Comments

This response understands that paying commission will motivate employees but there is no context other than TUI, which is in the question.

1 mark

### Question 3 (c)

Another calculation question, where candidates had to calculate the current ratio for TUI in 2022. Again as mentioned previously candidates should be encouraged to ensure that their answer is written in the box and preferably on the dotted lines at the bottom of the square. This enables examiners to clearly see the answer. It is also worth mentioning about ensuring that the figures the candidate has written are clearly visible.

Most candidates were able to gain the two marks available.

**Figure 1** shows the current assets and current liabilities for TUI in 2022.

2022	€'000
Current assets	7 758 152
Current liabilities	5 654 468

**Figure 1**

(c) Calculate, to two decimal places, the current ratio for TUI for 2022. You are advised to show your working.

(2)

$$\begin{aligned} \text{Current ratio} &= \frac{\text{current assets}}{\text{current liabilities}} \\ &= \frac{7758152}{5654468} \\ &= \underline{\underline{1.372039244}} \end{aligned}$$

1.372039244



The candidate has not followed what the question asked for.  
'Calculate, to **two** decimal places ...'

The answer is correct but not to the decimal places required. Hence the the candidate did not gain a mark.

0 mark

Figure 1 shows the current assets and current liabilities for TUI in 2022.

2022	€'000
Current assets	7 758 152
Current liabilities	5 654 468

Figure 1

(c) Calculate, to two decimal places, the current ratio for TUI for 2022. You are advised to show your working.

(2)

Current ratio =  $\frac{\text{current assets}}{\text{current liabilities}}$

$$\frac{7\,758\,152}{5\,654\,468} = 1.372039244$$
$$= 1.37$$

1.37



ResultsPlus  
Examiner Comments

The candidate clearly understands how to work the calculation out and has put the answer on the dotted line.

2 marks

### Question 3 (d)

This was another 'analyse' question as mentioned earlier testing AO2 (Application) and AO3 (Analysis). Thus for candidates to gain the full marks available they need to demonstrate both of these skills with their response.

Candidates were asked to analyse the effect on TUI customers of an increase in interest rates. To gain the marks available candidates needed to apply the information and then analyse. Quite often on this question candidates saw the word TUI and make comments about how the increase in interest rates would affect TUI and not mentioning customers. Again it is important for candidates to fully understand what the question is asking.

Examiners will look at each response 'holistically', – has the candidate applied their knowledge to the question and have they analysed the information? A decision will then be made as to where the response 'best fits' with regard to the Levels.

Candidates must be aware that there are no marks available for knowledge, and the response must be in the context of TUI.

(d) Analyse the effect on TUI customers of an increase in interest rates.

(6)

TUI customers will decrease as more interest rate means more money required, this affect TUI as less services sold, less revenue and profit. Resulting in ~~loss~~ loss of TUI as they can't maintain financially and pay their expenses. When interest rate increase suppliers will demand more interest for their supplies, causing TUI to also increase the interest rate of their services. Which results in customers not able to afford the service and switch to a different business's services. Resulting in less sales and loss of ~~to~~ TUI.



The response includes the effect on TUI customers of an increase in interest rates and then analysis the effect, although there was limited interconnected points with logical chains of reasoning.

Level 3 – 5 marks

(d) Analyse the effect on TUI customers of an increase in interest rates.

(6)

When there is an increase in interest rates people won't be able to borrow any more loans. Because of this TUI customers will have an opportunity cost as they will have to save money rather than spending on leisure activities like riding ocean-going cruises therefore TUI will lose its customers to the increase in interest rates.



**ResultsPlus**  
Examiner Comments

The response is very limited and understands that people will not be able to gain any more loans because the interest rates have risen. This is developed by the comment that they will have to have money rather than spending it on holidays.

Level 2 – 3 marks

### **Question 3 (e)**

The second option question where candidates have to 'justify' which of the two options would be the best for TUI to check which method is the best for customer feedback from their holidays, hotel stays and cruises. As in question 2f many candidates will begin by describing both methods, giving advantages and disadvantages of each. As mentioned previously there are no 'knowledge' marks on this question. Quite often in candidates' responses they confuse the two methods. Candidates should be reminded that they do not need to give reasons or justification for both options, one is acceptable. This question is marked to Levels and therefore candidates are encouraged to give evaluative comments for their chosen option and why it would be more suitable.

TUI constantly checks for customer feedback and comments on its holidays, including hotel stays and cruises. It is considering the following two options to gain the most up-to-date views:

**Option 1:** using the internet

**Option 2:** asking customers to complete a questionnaire.

(e) Justify which **one** of these two options TUI should use.

(9)

One benefit to using internet is that results will come quicker. <sup>for TUI</sup> By using the internet they can ~~ask~~ <sup>come</sup> in many different ways and TUI can ~~see what~~ research what customers really think about it with no filter. Therefore, this would increase the reliability of the results.

One disadvantage to using the internet is that there may not be any updated views. This means that reviews can be from years or months ago and it's maybe suggesting something that people do not want anymore or it has already been changed. Therefore, the feedback is not up to date as they expected, so it cannot be used.

One disadvantage to sending TUI customer a questionnaire is that they may not even reply or take the time to read the questions. People will usually skip the questions quickly or answer what they think they are supposed to. Therefore, it may not be a reliable source.

One benefit to using a questionnaire is that results can be gathered easily. For example asking whether they

liked the cruise only has 2 different responses 'yes' or 'no'. This way results can be interpreted easily. As they can be counted.

In my opinion using the internet is better as people are more transparent.



The response includes information about the choice of option one and the benefits and disadvantages of the option but there is no development and justification and this is also similar for option two. If the response had developed the comments it may have moved into a higher level.

Level 2 – 5 marks

TUI constantly checks for customer feedback and comments on its holidays, including hotel stays and cruises. It is considering the following two options to gain the most up-to-date views:

**Option 1:** using the internet

**Option 2:** asking customers to complete a questionnaire.

(e) Justify which **one** of these two options TUI should use.

(9)

TUI should use the internet.  
Many companies have gained popularity by using the internet, specifically by using social media. It's easy and effective and will cost nothing whereas ~~qqs~~ questionnaires will take up customers time and can cost money to make/print.



**ResultsPlus**  
Examiner Comments

Response is very limited on the use of the internet. The answer is not developed.

Level 1 - 1 mark

## Question 4 (a)

The final calculation question, and as previously mentioned candidates should be encouraged to show their workings out on all calculation questions. They could gain a mark even if the final answer is not correct. As mentioned previously candidates should put their answer on the dotted lines at the bottom of the box. Also, if the question asks for **two** decimal places then candidates should ensure their answer is to two decimal places. Again, it is also worth reiterating to candidates that they should take care to ensure that their figures are easily recognisable, to avoid any confusion by the examiner.

Most candidates answered the question well and were able to gain the two marks available.

**4** Figure 2 shows the total cost to TUI of employees' salaries.

Total cost of employees	€'000
2021	39 631
2022	57 498

**Figure 2**

(a) Calculate, to two decimal places, the percentage increase in the total cost of employees from 2021 to 2022. You are advised to show your working.

(2)

$$57,498 - 39,631 = 17,867$$

$$\frac{17,867}{39,631} \times 100$$

$$\underline{\underline{45.1\%}}$$



Response has reduced the number of decimal points from 2 to 1. So therefore the answer on the dotted line is incorrect.

However, the working out is correct.

1 mark

4 **Figure 2** shows the total cost to *TUI* of employees' salaries.

Total cost of employees	€'000
2021	39 631
2022	57 498

**Figure 2**

(a) Calculate, to two decimal places, the percentage increase in the total cost of employees from 2021 to 2022. You are advised to show your working.

(2)

$$\frac{57\,498 - 39\,631}{39\,631} \times 100$$
  
$$= 45.08\%$$
  
$$\underline{\underline{45.08\%}}$$



Response is worthy of full marks as correct answer.

2 marks

## Question 4 (b)

This question was not as well answered as expected. A number of candidates did not understand what the Boston Matrix meant and therefore unable to answer the question. This was another 'analyse' question where candidates had to analyse how TUI could make use of the Boston Matrix to review the holidays it offers. Some candidates gave a very detailed description of the Boston Matrix but did not apply it to TUI. Candidates should show application of knowledge and analysis in their response to this question.

(b) Analyse how TUI could make use of the Boston Matrix to review all the different types of holidays it offers.

(6)

TUI can use Boston Matrix to understand the current stages of their different types of holidays.

First of all, Boston TUI can use Boston Matrix to know which holiday is the have the high market share, and they can invest on those stars production to further improve the market share and make more revenue and profit.

Second, TUI can use Boston Matrix to determine the holidays ~~which~~ <sup>that</sup> have lower market share and ~~low~~ low potential. They can discuss to advertise or get abandon the holidays by use the Boston Matrix and prevent loss.



**ResultsPlus**  
Examiner Comments

The response shows limited knowledge of the Boston Matrix and there is very little development to gain the higher level.

level 2 – 3 marks

(b) Analyse how TUI could make use of the Boston Matrix to review all the different types of holidays it offers.

(6)

TUI could use the Boston Matrix to analyse which of their holidays are 'dog' products. They can then choose whether or not to ~~continue with~~ <sup>shut down</sup> providing that holiday or to try re-charging and re-advertising it. This informed decision will improve the efficiency of the business.

TUI could also use the Boston Matrix to identify 'star' products which are worth significant investment due to high growth and a market share in a growing market. This information could enable TUI to prioritise supporting the correct holiday services, greatly increasing their revenue through effective investment into the right areas.



**ResultsPlus**  
Examiner Comments

The response clearly shows knowledge of the Boston Matrix and develops the comments made.

Level 3 – 6 marks

## Question 4 (c)

The final question of the paper which is marked to all four Assessment Objectives, Knowledge (AO1), Application (AO2), Analysis (AO3) and Evaluation (AO4). Candidates should be encouraged to develop their response to ensure that they can gain the most marks available. Candidates were asked to evaluate the benefits for TUI of providing quality service. A variety of very valid comments were made by candidates, giving reasons and justification for their decisions gaining the higher level.

(c) Evaluate the benefits for TUI of providing a quality service. You should use the information provided as well as your own knowledge of business.

(12)

TUI providing quality service is very important to the business performance. Such as it can effect customer loyalty. If the service is positive the customer will become loyal to TUI and repurchase their service. Possibly leading a positive view <sup>re-</sup> of their experiance and enchoraging others to do the same. ~~It is a positive view of their experiance and enchoraging others to do the same.~~ ~~It is a positive view of their experiance and enchoraging others to do the same.~~ ~~It is a positive view of their experiance and enchoraging others to do the same.~~ Leading to more sales and positive brand image. In contrast to poor quality service where the customer is displeased with the service not repurchasin again. Causing bad reputation for the business due to the negative feedback. If the quality of the service is good then employees will be more motivated as they are in a positive environment, and might recieve some fringe benefit due to the increase in sales. This will also lead to the employees healthier state of mind <sup>(mental health)</sup> as they know they

have a secure job and not worry about losing their job. Good quality service will cause TUI to expand and invest more improving their business as they have more capital. This will help them to achieve a competitive advantage in the market as they are expanding and have more options in contrast to their competitors, as they seem more reliable than other travel businesses. However, this will have an opposite impact if the quality is bad



From the response, the candidate has made very valid comments about TUI providing quality service. The information is then analysed and developed showing that there is accurate knowledge and understanding. There are some interconnected points, however there are limited evaluative comments to move the response to the higher level.

(c) Evaluate the benefits for TUI of providing a quality service. You should use the information provided as well as your own knowledge of business.

(12)

Quality refers to efficient and ~~success~~ successful use of resources, which should be constantly be improved.

For TUI's services, good quality will be beneficial to have good relationship with their customers, which can raise their reputation on market and attract more customers, therefore a business can increase profit from sales. Also, quality service can help to get feedback if some of the improvements should be done. Therefore it can help to avoid mistakes and waste of resources, therefore TUI can also increase their profit.

However, quality service might be costly for TUI. If a business will have lack of finance, they will not have an ability ~~to improve~~ to have quality services, thus more difficult to analyse their mistakes. This can lead to waste of resources therefore less profit will be generated. Also, ~~quality~~

If a quality service will be not introduced at all, TUI might also face waste of resources, less improvement will be made and also more responsibility for other employees can not motivate them to do their job properly. All of these might lead to lose of customers and profit.

Overall, TUI should have quality service, because it could be beneficial for them to generate more profit, due to no waste of resources and good reputation on the market. However, they should consider their abilities to pay for quality service, or they might face a failure due to lack of finance as well as the lack of quality of their services.



**ResultsPlus**  
Examiner Comments

From the response, the candidate has made very valid comments about TUI providing quality service, however, these points are then analysed and evaluated to gain the higher level.

Level 2 – 5 marks

## Paper Summary

Centres are offered the following advice:

- Understand the formulas at the front of the examination paper
- 'Justify' questions do not need to consider both options
- 'State' and 'Outline' question require context of the scenario in the response if they are to gain the full marks available
- 'Explain' questions do not need context of the scenario

## **Grade boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

