

Examiners' Report/ Principal Examiner Feedback

January 2015

Pearson Edexcel International
Advanced Level in Business Studies

Unit 3: Strategic Business Decisions
WBS03/01

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Introduction

This paper followed the style, format and structure established in the published sample assessment material and the 1401 paper, with the same Assessment Objective (AO) and Mark Band (MB) weightings.

Examiner reports are a valuable resource for helping prepare candidates for external assessment, as they contain lots of general advice that is still relevant and likely to be useful for staff and students in preparation for future papers. This report should be read in together with the examination paper and the Mark Scheme for this paper.

Based on the work seen from candidates in January 2015 the main issues are as follows:

Preparedness

Teaching and study of this unit started in September 2013, which means that centres and teachers will have had a full academic year, plus the time from September 2014 to January 2015 to familiarise themselves with the specification and to prepare candidates for the external assessment of this unit. To support ehm, sample assessment material, plus the past papers, mark scheme, and PE reports from January 2014 and June 2014 will have been available. Candidates taking the paper in January 2015 may have had a similar time for studying and completing the AS units that are part of this qualification, although some candidates may have only been working on this unit since September 2014.

As outlined in the Specification: *'These International Advanced Level qualifications in Business Studies require students to:*

- *investigate different types of businesses that develop and sell products and/or services in a local, national or international marketplace. At IA2 level, students will study the ways in which companies make decisions, and grow and operate in the global market place*
- *be able to analyse numerical information and understand how it assists the decision-making process of a business*
- *understand how a business is managed, how its performance is analysed and how it could trade internationally.'*

Specifically: *'this unit (Unit 3) develops the content of Unit 2, which is designated at IA2 standard.'*

This sets the standard required for this unit, but was evident from some of the answers and papers that some candidates were not fully prepared, showing exhibited gaps in knowledge of specific business terms, a tendency for generalisation, using a formulaic approach to answering questions, plus a lack of application in many of the responses, and little depth of assessment or evaluation. Together, all of these observations suggest that some candidates were not prepared sufficiently for this external assessment.

The situation could be reversed in future examination series, to the benefit of candidates, if sufficient time is given to covering the content of the Specification, and applying the learning to 'real life' case study examples from the business world, rather than being taught to write answers to a set formula.

Rewriting question

Whilst it would appear that some candidates find it a good way to lead their thoughts into an answer, candidates should be reminded that simply rewriting a question is not usually sufficient to gain marks. Rewriting the question or information given in the evidence will not produce marks unless it is being used in context, to support a statement being made in the answer. The question asked needs to be answered.

Not answering question

Some candidates will pick a word or topic from within the question, and then write all they know about that particular word or topic – rather than answering the question asked. This could be a way of demonstrating general business knowledge, but candidates need to understand that marks are only given for an answer that addresses the specific question asked.

Linked to this is a tendency for weaker candidates to throw into their answer general expressions such as '...increase profit...', '...grow market share...', '...sell more...'. Again, candidates should be made aware that such general terms are unlikely to result in marks unless they are related directly to an answer to the question asked.

Overwriting

Quantity does not necessarily equate to quality nor higher marks. Some candidates appear to think that if they fill the space in the answer booklet, plus several extra pages, then they will get higher marks, this is rarely the case. Often the sense of what the candidate is writing gets lost in the screed of words which fill the pages. As markers we read every word to see if there are any marks within the text, but sometimes marks can be difficult to see if they are hidden within long general descriptions. The space provided in the answer booklet is planned to match the marks available and consequently the amount of writing that candidates should produce, any more and they are usually wasting their time. As candidates move from education and into the world of business they will soon learn that a concise analysis or report is much more useful than a long and piece of writing.

The paper

The theme of this paper was Paul Smith Ltd, an international business that is based on the design flair and entrepreneurial skills of British designer, Paul Smith. The scope of the business includes the design, manufacturing and retailing of a wide range of products, from clothing to cars, stationery, textiles, rugs, cameras, bicycles and many other products. However, none of the questions needed specialist subject knowledge, and the use of Paul Smith Ltd. does not appear to have caused any problems for candidates. All questions should have been accessible to candidates of all grades, and, in practice, most candidates attempted all questions.

Section A

Questions 1a and 1b

Lack of precision tended to limit the marks earned by candidates for their answers to the question 1a: 'What is meant by sales revenue?' – just repeating back the question eg '...sales revenue is the revenue earned by sales...' is not acceptable for a mark at this level. Many answers given refer to the number/quantity, rather than the value, of sales – which is incorrect.

Q1b, similar to Q1a, candidates who just turned round and repeated the question eg '...positioning means the position in the market...' were not given any mark for this level of answer. To earn marks, candidates would have needed to give an answer which was precise, and correct.

Question 2

The use of the Ansoff's Matrix seemed to confuse some candidates, most had a superficial knowledge of its structure and its role in business, but found it difficult to relate its use to Paul Smith Ltd. Only stronger candidates were able to link the business of Paul Smith Ltd with the use of the matrix, and consequently scored higher marks from their application and analysis.

Question 3

Candidates spent too much time and produced too many words defining the generic term 'corporate strategy', which did not give them any marks – this question was specifically about the corporate strategy used by Paul Smith Ltd. that had led to the success of the business, which candidates should have been able to identify from the evidence provided. This was an example of candidates not reading the question, just writing about the first thing they saw, and consequently not answering the question asked.

Question 4

As we saw in Q3, many candidates just gave long descriptive definitions of the process of critical path analysis (CPA) but were not relating or applying it to Paul Smith Ltd. or any other business – this limited their marks to L1. Candidates who applied what they knew and understood about CPA to Paul Smith Ltd., or another business, were able to generate more marks through their application, which often led them to analyse and evaluate the situation in the question. However, if the candidate just analysed CPA without relating it to a business, their marks were restricted to L2 or L3, depending on the extent of their theoretical analysis or evaluation.

Question 5

Evidence A, and repeated in stem of question, explains the different roles that Paul Smith the person has within the business of Paul Smith Ltd. Many candidates did not seem to have read the stem or question, and ignored the evidence – just writing generic descriptions of different stakeholders, rather than considering how the various roles that Paul Smith has taken may conflict with each other. This was another question where candidates tended to write about the subject rather than answer the question.

Section B: Essay questions

Question 6

Some candidates just produced a page of calculations, irrespective of their relevance, and with little to no assessment, and merely commented that the figure for one year was higher or lower than the other year. Although candidates did not have the evidence to explain why such changes may have occurred, wild speculation is no substitute for considered commentary on the figures produced. Stronger candidates carried out useful calculations and were able to explain what they had calculated and why they had done particular calculations, and could analyse and evaluate what the result of their calculations meant for the business.

Question 7

In their answers to this question, some candidates just described different types of growth strategy and did not relate what they were writing to the business of Paul Smith Ltd, as described in the evidence. Candidates did not use the evidence, which consequently restricted their potential marks. Some candidates just rewrote the evidence and assumed that this would answer the question. The evidence is provided for a purpose and candidates are expected to use it to support their analysis and evaluation, to give context to their answers.

Grade Boundaries

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

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

