



Pearson

# Examiners' Report Principal Examiner Feedback

October 2017

Pearson Edexcel International A Level  
In Business Studies (WBS01)

edexcel 

## **Edexcel and BTEC Qualifications**

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at [www.edexcel.com](http://www.edexcel.com) or [www.btec.co.uk](http://www.btec.co.uk). Alternatively, you can get in touch with us using the details on our contact us page at [www.edexcel.com/contactus](http://www.edexcel.com/contactus).

## **Pearson: helping people progress, everywhere**

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: [www.pearson.com/uk](http://www.pearson.com/uk)

October 2017

Publications Code WBS01\_01\_1710\_ER

All the material in this publication is copyright

© Pearson Education Ltd 2017

## Section A

All questions in Section A are the Supported Multi Choice Questions (SMCQ).

Once again, a number of students did not go on to develop **why** their answer was correct in part (b). This means they are unable to access further marks for fully explaining their correct choice of answer.

A significant number of marks for SMCQs can be gained for explaining why other distracters are wrong. However, these responses need to be fully applied explanations and not just a definition.

For example, students often just state 'X is wrong' and then give a definition which gains no marks. This response needs to be applied in relation to the business or issue in the stem or question. For example, X is wrong because - then explain how or why it does not apply.

There were very few questions left blank in this series and it was heartening to see that the vast majority of students attempted every question, improving their chances of accessing all of the available marks.

**Q1** Although the majority of students did identify that "A Shared Ownership" was the correct answer in section (a), there was a spread of other responses seen throughout the marking period – especially for B & D.

Most students were able to access at least 1 mark in part (b) as they could accurately define what a partnership was, even if they selected incorrectly in part (a).

In a number of responses there was also some confusion regarding dismissal of distractors B & D – limited & unlimited liability. A significant number of students also commented "profit shared is an advantage" – which it clearly is not.

**Q2** A significant number of students incorrectly defined the term "Test Marketing" as referring to product trials or free samples. Some students just repeated "assess levels of demand" in their explanations without actually explaining *how* test marketing achieved this, so could not access a mark. Many students did define test marketing effectively but did not fully develop how data collected is used to benefit the company. A small number incorrectly believe market research guarantees sales.

With regard to dismissal of the distractors, "C" (primary research) was usually the most accessible route to a mark, few students attempted explaining why "B" (margin of safety) was incorrect, and dismissal of "A" (guarantees sales) tended towards a simple statement that it was incorrect without further development.

**Q3** A significant number of students struggled with the different uses for short and long term finance, the financing of long term projects and short term regular purchases. Many students suggested that bank loans were the best option to buy raw materials. Many were quoting the 'five years' stated in the stem as a justification for using a long term finance method but this is clearly not appropriate. A number made assumptions about the organisation being a sole trader, which was not relevant to the answers required.

**Q4** The vast majority of students selected the correct answer in part (a). Of those few who did not select 'gender' as the correct answer, their explanations suggested some students did not fully understand what the terms 'income, gender or occupation' meant. For example, one wrote you could be *occupied or unoccupied*.

There were also a small number of responses that reflected cultural differences in payment of wedding dresses, age of brides or whether women had jobs which influenced their reasoning for the dismissal of the distractors.

**Q5** Generally students were able to access at least 2 marks in part (b), and all 3 if they included a complete formula. A significant number of students were imprecise in their definitions of the formula for Margin of Safety, which meant that they could not access that mark.

A small number of students in part (a) identified the correct answer as "C", but showed no workings on how this was correct for part (b).

**Q6** This question was one of the most poorly answered in Section A but it was a very good differentiator for the stronger students. Many students incorrectly regarded Siemens' decision as being prompted by ethical concern. There were some wonderful expressions of concern for the well-being of older people. It is nice to think this might be the case, but it was clearly a decision motivated by the opportunity for increased sales and revenue. A significant number opted for environmental reasons but struggled to explain effectively.

A large number of students chose the correct influence but then disappointingly failed to explain why it was correct by linking the change to the needs of an ageing population and the resulting increase in demand. Many of the developments were too brief for many marks. Very few actually stated that more elderly people tended to need hearing aids and even less said this would increase demand.

## Section B

As has been said previously, students still need to be aware that it is not enough to just mention the name of the business, or quote from the question stem when applying their answer to the person, business, concept or issue in the question. Students must do something with the information to ensure it is fully applied in some way.

One way of identifying whether an answer is truly applied is to use the 'Cadbury Rule'. If you can substitute the name of the business in the response with 'Cadbury' and it makes no difference to the answer – it is generic and not truly applied.

However, if using 'Cadbury' prevents the answer from making any sense, because it can only be related to the business in the stem or question, it is likely to be fully applied.

When students fail to truly apply their answer, it limits the number of marks they can access.

A well analysed or evaluated response will be limited to the previous level if there is no application. In reality, this means a well analysed response that is not applied to the context in the stem or question will only be able to be rewarded with a maximum of 4 marks.

That said, it was heartening to see a greater number of students attempting to give context to both sides (analysis and evaluation) which helped achieve some high scoring papers in this series.

**Q7** Just about every student was able to define or identify two entrepreneurial characteristics demonstrated by Nina. A few students were confused and defined enterprise. On the whole, application to the case study was not well carried out. Very few developed their second characteristic. At least 50% of students scored at least 4 marks for this question. Most got two marks for knowledge, one for application of the first characteristic (usually creativity for developing the app) and one for analysing the same point for a total of four marks.

A significant number of students did not attempt analysis at all which meant access to all available marks was limited.

**Q8a** This question was attempted by all of the students and the majority demonstrated some knowledge of what a venture capitalist was. Very few students provided a full, accurate definition although approximately 60% referred to the term 'risky' either in their definition or within their explanation.

Many students did not read the questions correctly which asked them to identify why Nina actually '**had to use a venture capitalist**'. A significant number focussed on reasons why she might have used this method. The two responses are very different. A common approach to this question was for students to explain the advantages and disadvantages of venture capitalists,

for example, don't have to pay high interest – which does not answer the question

**Q8b** Only about half the students gave a good definition to demonstrate sound knowledge on the true meaning of market research (MR) and how ICT can be used. Some students defined the term ICT instead of MR.

Too many students looked at this question and explained the advantages/disadvantages of using ICT. A small number of students focussed on primary and secondary research methods. A significant number of students were able to apply the case study context and were awarded between 4-6 marks. There was some repetition of analysis for the 2 different methods suggested (Twitter, Email – ask questions).

A significant number of students mentioned other types of MR outside the scope of ICT which failed to get marks as they were inappropriate. Application often lacked specific detail relating to the case study thus reducing access to higher marks.

**Q9a** A large proportion of students were able to calculate the correct answer and gain full marks. Although it was evident that not all learners understood the concept of decimal places which limited their score. A large number of students lost a mark for not correctly calculating the answer to 2 decimal places as asked, but either rounded up or left it at several decimal places.

Some lost a mark for placing a £ sign in front of the result and then adding a percentage symbol e.g. £83.05%. This showed an overall lack of understanding of what the result actually shows and lost the mark. They demonstrated a mechanistic ability to complete the calculation.

On the whole, this question was well answered.

**Q9b** This question was a good differentiator in terms of the analysis and evaluation of pricing strategies for Nina and Devanisoft. A high number of students scored at least 6 marks for analysis of penetration pricing. Stronger students were able to correctly identify and apply to the banking industry, but many kept their answer quite generic.

A small percentage of students gave an incorrect definition of penetration pricing (entering the market at a high price) and this affected their analysis and outcome for this question. Students generally showed a very good level of understanding of this pricing strategy and were often able to offer alternative strategies to achieve Level 4 marks. The majority of students used the case study context well within their responses and suggested premium pricing due to her previous success.

A small number of students could not achieve the evaluation marks as they did not go on to discuss alternative pricing strategies. On those occasions

an alternative pricing strategy was mentioned, it was rarely in context of the case study.

**Q10** A generally well answered question, attempted by most students and again most demonstrated a clear understanding of product/market orientation. Approximately 10% of students provided a generic response and did not show any context in their response, which affected their mark for this question.

Stronger students appeared confident in their application and made clear statements in terms of why both product and market orientation were appropriate for Nina. Many students included some element of evaluation in their response, but few achieved high level 4 marks due to the simplicity of their evaluation. 8 and 9 marks were very common in this question. Only a very small number of students made a convincing conclusion as to which method was more suitable for Nina.

**Q11** A few students did not attempt this question. There were some very good responses from a large number of students and on the whole, this question was quite well answered.

A common approach on this question was to look at the disadvantages/advantages of not having to run a shop and some students took the approach that customers would like to go to a bricks-and-mortar shop to buy her apps. This approach limited their overall grade as they didn't really show a full understanding of the nature of e-commerce. A significant few students approached this question from the point of view of the impact of e-commerce on the demand for her apps, so answered from this perspective. The most common evaluative argument was in relation to fraud or no access to internet. Very few students seemed to realise that her sales would cease if e-commerce failed at all.

