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# Examiners' Report Principal Examiner Feedback

October 2017

Pearson Edexcel International A Level  
In Business Studies (WBS02)

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## Introduction

This was the second sitting of the paper in October with a relatively small number of students entered. The paper was split into 2 sections: Section A had 6 supported multiple choice questions (SMC) and Section B had a total of 7 questions.

### SMC:

- Students can only access 3 marks for part (b) if they have part (a) correct
- Students are able to gain 1 Knowledge mark for a definition which are listed in the mark scheme for each question.
- Students are able to gain up to 2 marks for a fully explanation of the distracters (incorrect answers)
- Students **MUST** explain why their answer for part (a) is correct to be able to access all 3 marks for part (b) i.e. a definition and 2 distracters would still only be worth 2 marks if there is no explanation of why part (a) is correct.
- Students must explain **WHY** the distracters are incorrect.

### Question 1

This SMC question involved students having to explain why a manager at KFC would set a budget and how it could be used. Many students were able to get the correct answer for part (a). Examiners were looking for a definition of the budget followed by any logical reason how the budget could assist managers. Many students did only repeat their answer for part (a) and examiners needed to see further development in order to award additional marks. Again, for marks to be awarded for the distracters, examiners were looking for fully developed reasoning.

### Question 2

Many students were able to score full marks for part (a) so could access all 3 marks for part (b). Marks were awarded for showing the correct formula for PED and again, there were some students who were unable to precisely do this and therefore were unable to gain the Knowledge mark. Candidates had to show how they arrived at their answer to part (a) to gain the Application marks.

### Question 3

This has proved to be a popular question with many students able to get part (a) correct. Many students were able to define redundancy/being made redundant for 1 mark. Examiners were looking for references to why Bombardier would make employees redundant, such as to reduce costs or to stay profitable. Students who lost marks were the ones who defined distracters rather than explaining why they were incorrect.

#### **Question 4**

Some students were able to score full marks for part (a) but many students did find this question more challenging. Examiners rewarded an accurate definition of hygiene factors, which was often confused with other motivational theorists, or how clean or hygienic a business was. For the distracters, examiners were looking for a full explanation as to why these were incorrect.

#### **Question 5**

Many students were able to get part (a) correct and gave detailed definitions of the term 'revenue'. Examiners rewarded students who made references to the fact that demand for luxury items such as cars would increase due to higher income and this then results in an increase in revenues for car dealerships. Many students were able to fully explain the distracters so gained additional marks. Overall, examiners were impressed with the use of correct business terminology to answer this question.

#### **Question 6**

This proved to be a more challenging question with many candidates getting part (a) incorrect so were only able to access 2 marks for part (b). Many students misread the question and thought that that Boomf needed to fill capacity rather than find ways to increase its capacity. Examiners only rewarded the definition of capacity (rather than capacity utilisation or outsourcing) and looked for reasons why outsourcing would help Boomf cope with the excess demand. The distracters had to be fully explained and linked to why they would not help with the over-capacity problem.

## Section B

For the IAL Business course, there is an emphasis on **Application/Context**. Students must **use** the evidence rather than just lifting figures from the case study. Using the name of the company – McDonalds in this case or context from the stem, is not considered to be **Application/Context**.

There must be **Application/Context** to access **Level 4** otherwise the top of **Level 3** will be awarded. If there is Analysis but no **Application/Context**, then the top of **Level 2** will be awarded. This has definitely had an impact on the levels achieved this series.

### Question 7

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. It was pleasing to see that many students were able to define product portfolio or give 2 benefits to McDonalds of widening its product portfolio. Some students did give generic answers which were not applied to McDonalds so did not gain the 2 Application marks. Some students just copied out large chunks of the evidence and for this to count as Application, it must be used in relation to the Knowledge and Analysis points. For Analysis, examiners were looking for the consequences of extending its product portfolio in terms of sales and market share.

### Question 8a

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Many students were able to gain the 2 Knowledge marks from defining working capital as well as giving an example of an impact from updating the restaurants. Again, Application proved problematic for some students as they gave generic responses which could have applied to any business or they just copied out large chunks of the evidence. Analysis was well done with many students able to link to impact on McDonalds having to use additional sources of finance which may lead to an higher debt costs.

### Question 8b

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Many students were able to give one benefit why McDonalds uses flexible employment. Better students were able to link this cost savings and that staffing levels could be increased at peak times and reduced when demand. Again, there were some great responses but with no context so this was restricted to 4 marks.

### Question 9a

This question was marked using a points based question with 1 Knowledge mark, 1 Application mark and 2 Analysis marks. Many students were able to gain 1 Knowledge mark for giving an advantage of training. For this question, the Knowledge mark is **NOT** for defining the key term. However, many students gave generic responses so lost the 1 Application mark. Examiners were looking

for references to training resulting in better quality service for customers and this would be likely to increase sales and/or develop customer loyalty. Many students were able to score at least 2 marks for this question.

### Question 9b

This was marked using a Levels of response mark scheme (LOR). Many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. It was evident that many students were able to understand why McDonalds had a centralised organisational structure and there was some good application in terms of being able to maintain the quality of the food worldwide. In order to access Level 4, there must be **evaluation in context** which was often missing and generic evaluations were restricted to the top of Level 3 – 6 marks. Often examiners found great context on the benefits of a centralised organisational structure but then the alternative argument was not in context so restricted the mark to 7 rather than 8 marks.

### Question 10

This was marked using a Levels of response mark scheme (LOR). Again, many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. Context was the issue again on this question and some students were writing generic evaluations of the difficulties in using a JIT system which were not applied to McDonalds so the top of Level 3 was awarded. Better answers were able to look at how McDonalds could minimise the waste of food and make cost savings in terms of perishable foods. In order to access Level 4, there must be **evaluation in context**.

### Question 11

This was marked using a Levels of response mark scheme (LOR) with a large proportion of the marks for Analysis and Evaluation. This was on the whole answered well and many students were able to use rather than copy the evidence to support their evaluations. Examiners were impressed with the use of context and many candidates were able to access Level 4 due to having evaluation in context compared to previous series where often examiners saw evaluation but without context (therefore restricted to the top of Level 3).

### Summary

Based on their performance on this paper, students should:

- Ensure all SMC questions are completed for part (a) otherwise this will restrict part (b) marks to a maximum of 2 marks.
- Always define a key term (either from the stem of the question or in some cases, the correct answer).
- Fully explain the correct answer otherwise you will restrict your mark to 2 marks.
- Fully explain why the distracters (incorrect options) are incorrect

and not just define them.

- Read the Evidence very carefully and ensure you spend enough time reading through the different pieces of Evidence.
- Ensure you know what is meant by the command words – Explain, Analyse, Assess and Evaluate require different skills to be shown.
- **USE** the Evidence to contextualise your response rather than just lifting data or saying the name of the business.
- Assess or Evaluate – this is looking at both sides and coming to a conclusion.
- In order to enter Level 4, your response must be in context.
- Ensure that your time management allows you to answer all questions on the paper, especially the Q11 which is worth 14 marks.

