Examiners' Report
Principal Examiner Feedback

October 2018

Pearson Edexcel International A Level in
Business Studies (WBS02)

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Introduction

This was the last sitting of the paper in October with a comparable number of students to 2017. 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 internal recruitment was used. Many students were able to get the correct answer for part (a). Examiners were looking for a definition of internal recruitment followed by any logical reason why internal recruitment would motivate employees. 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 rather than a statement saying that this is incorrect.

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 YED and again, there were some students who were unable to precisely do this and therefore were unable to gain the Knowledge mark. Students 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 overdraft for 1 mark. Examiners were looking for references to why an overdraft was the most suitable method. Very few students were able to make the link between interest only paid on the borrowed amount and therefore if the business does not use the overdraft, then no interest will be paid. Again, for the distracters, the explanation of why was often missing and more development is needed to gain these additional marks. Simply saying B is wrong because this is a short term source of contingency finance is not enough to gain the mark.

Question 4

This proved a much more challenging question with many students unable to score full marks for part (a) which then restricted marks for part (b). Examiners rewarded an accurate definition of historical based budgeting, so some students were able to gain the Knowledge mark for part (b) even with an incorrect answer for part (a). For the distracters, examiners were looking for a full explanation as to why these were incorrect. The key to gaining distracter marks is to ensure that answers are fully developed and that they are not just quickly dismissed.

Question 5

Many students were able to get part (a) correct and gave a detailed definition of the term labour turnover (this did have to have a reference to a time period such as one year). Examiners rewarded students who made references to the fact that motivation is likely to increase and that this may result in less employees leaving the business. 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 some students getting part (a) incorrect so were only able to access 2 marks for part (b). Many students Examiners rewarded the definition of competition and looked for reasons why an increase in competition could have resulted in Staples closing down. The distracters had to be fully explained and linked to why they would not result in Staples closing down. Again, this examiners found too simplistic responses for the distracters.

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 – Samsung 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 give 2 possible impacts for Samsung of the product recall. Some students did give generic answers which were not applied to Samsung 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 the product recall in terms of sales, market share, brand image or cost.

Question 8a

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Some students were able to gain the 2 Knowledge marks from defining capacity utilisation but on the whole this proved to be the most challenging question on the paper. Many students confused capacity utilisation with productivity so did not score any marks. Examiners were looking for methods such as shutting down excess factory space or ways in which demand could be increased thereby increasing the capacity utilisation.

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 two reasons why it might be difficult to forecast sales for Samsung. Better students were able to link this to the product recall or the increase in competition from rivals such as Apple and Google. Again, there were some great responses but with no context so marks were 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 a reason for short production development lead times. 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 gaining a competitive advantage over rivals such as Apple and how 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 Samsung had a tall organisational structire and there was some good application in terms of using the 3 separate divisions. 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 tall 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 benefits of using quality management techniques which were not applied to Samsung so the top of Level 3 was awarded. In order to access Level 4, there must be **evaluation in context.** Examiners found the counter-argument lacking in depth and often lacked context which restricted marks for some students.

Question 11

This was marked using a Levels of response mark scheme (LOR) with a large proportion of the marks for Analysis and Evaluation of the usefulness of the Boston Matrix in managing its product portfolio. 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 students were able to access Level 4 due to having evaluation in context compared to previous series where often examiners see evaluation but without context (therefore restricted to the top of Level 3). To access the higher evaluation marks, context has to be well used and a conclusion always enhances a response.

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 Evalute 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.