Pearson
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Examiners' Report
Principal Examiner Feedback
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Pearson Edexcel International A Level in Business Studies WBS03

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This paper followed the style, format and structure established in the published sample assessment material and previous live papers, 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 together with the examination paper and the Mark Scheme for this paper. My own observations, supported by reports from all examiners who worked on this paper, will sometimes repeat problems or advice that have been raised in reports on other papers. However, any repetition is because these issues continue to reappear in papers and have not been resolved or even show signs of improvement.

This was the second WBS03 paper for an October series.

For support, candidates could have used sample assessment material, plus the past papers, mark schemes, and reports from previous series. This was clearly evident by the way that many candidates structured their answers to match the format used in the Mark Schemes for this paper. Some candidates have become so familiar with the structure of the answers as they are written in the Mark Scheme that they too follow this structure to the point of inserting key words at what they considers to be appropriate points in their answer.

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 it was evident from some of the answers and papers, that some candidates were not fully prepared, showing gaps in knowledge of specific business terms, a tendency for generalisation, using a rehearsed formulaic approach to answer questions, plus a lack of application in some of the responses, and little depth of assessment or evaluation.

The October 2018 paper was based on the business of *Pizza Express*, the UK-based restaurant company, that has branches internationally, as well as extensive and international retail distribution of its food products.

Although focussed on one particular business, evidence was provided to candidates which outlined its operation, background, history and more recent developments which affected how it was run; as such, this case study does not appear to have caused any problems for candidates. It is also good to note that candidates' familiarity with pizza as a product did not adversely affect their businesslike approach to their answers.

All questions should have been accessible to candidates of all grades, and, in practice, most candidates attempted all questions, with the exception of Q4 which remained unanswered on a low number of papers. Q4 is based on a corporate strategy theory that appears in the Specification, but had not been tested previously, and as such appears to have been unfamiliar to some candidates.

Question 1 (a)

Despite the apparent simplicity of questions 1(a) and 1(b), some candidates gave vague generalisations rather than the more precise answers which are expected at this level.

Question 1a) asked: what is meant by the term brand image?

This is a term that is well known by most candidates, although not always expressed clearly. Candidates often used 'brand' (as a distinct entity) interchangeably with 'brand image' (a created concept or impression). However, despite the fact that it would be correct to insist on the precise usage of 'brand image', candidates were not penalised for referring to 'brand' rather than 'brand image' in their definition, if sufficient knowledge was shown, and that a good answer based on 'brand' would be given marks as appropriate.

For question 1b) candidates were asked 'What is meant by the term innovation?' This is another well-known term, although tending to be used very loosely by some candidates - attributing any marketing initiative to 'innovation'. In line with the Mark Scheme, candidates were given 1 mark for a basic definition, plus the second mark if they had selected a good example of Pizza Express being innovative, from the given evidence.

Examiner Comments:

Encourage candidates, when asked for a definition, to give precise, knowledge-based answers rather than vague generalisations - this will help to ensure that full marks can be given.

Question 2

Candidates were presented with a stem outlining the production process in *Pizza Express* restaurants - the preparation, assembly and cooking of pizzas to time and to order. Question then asked candidates to explain why *Pizza Express* might use critical path analysis to manage the production process in its restaurants.

There are no 'knowledge' marks in this question for a generic definition. The 'knowledge' marks are given for knowledge/understanding of how *Pizza Express* might use critical path analysis to manage the production process in its restaurants.

This has been highlighted in all previous examiners' reports. However, as we have seen in past papers, most answers to Q2 continue to start with a generic definition - this may help some candidates to start their question, to get their thinking organised, but they should not be surprised to receive no marks for this. The danger is that some candidates take up too much space with their definition, which means that there is limited space for them to develop their answer. Marks can be improved if the candidate focuses their answer on how the topic of the question, critical path analysis, applies to the business itself, in this case *Pizza Express*. Once this has been established, further marks could be gained by explaining the consequence to Pizza Express of using critical path analysis as a business tool.

Question 3

For this question, candidates were simply asked to analyse how customers, as stakeholders, can influence *Pizza Express*.

As with Q2, most answers to Q3 started with a generic definition - again, there are no marks for a basic definition of any of the terms used in this question.

However, this approach, taken by many candidates, resulted in answers tending to be based on stakeholders in general, which in turn led some candidates to write about shareholders, being used interchangeably with stakeholders; this limited marks. Candidates produced good answers if they stuck to application and used the evidence provided, which included several examples of the way in which customers influenced *Pizza Express.*

Markers saw a number of examples which did not answer the question, just a page of description of stakeholders per se or shareholders in general.

Examiner comments:

For questions 2 and 3, candidates need to focus their answers on what is actually being asked in the question, how the business is affected, rather than write descriptions of the various terms, topics or theories which may be used in the question.

Question 4

This was the first question on this paper to be marked on levels.

Candidates were asked to assess the usefulness of Porter's strategic matrix in developing a corporate strategy for a business such as *Pizza Express.*

This is the first time that Porter's strategic matrix has been tested in this qualification - and its inclusion caught many candidates by surprise, as they would not have come across it, or the kind of answers that are expected, in past papers or mark schemes.

Consequently, we saw examples of answers as follows:

Blank pages, or pages where the candidate guessed and jotted down a couple of lines or copied out the question.

Answers based on the more familiar Boston (BCG) Matrix or the equally familiar Ansoff's matrix - not answering the question asked.

Answers based on knowledge of Porter's Five Forces, rather than the distinctly different Porter's strategic matrix - again, not answering the question asked.

Answers where the candidate has a low level of knowledge of Porter's strategic matrix and tries to develop an answer based on guesswork, including all kinds of bits of evidence which bear little relationship to the question asked.

Finally, a minority of answers where the candidate has a good knowledge/understanding of Porter's strategic matrix.

Through the life of this qualification, assessment will have covered the entire specification for this Unit, some topics on several occasions. Candidates should be prepared for such.

Question 5

Question marked on levels.

Candidates were directed to Evidence C and D on the question paper; they were then asked to assess the effects that international growth could have on the ability of *Pizza Express* to fulfil its mission statements.

Most answers suggested a good understanding of mission statements and the way that they can be compromised when a business expands internationally. However, for some candidates there was a tendency to write just about mission statements, which limited marks to Level 1. Candidates who could apply this knowledge achieved higher marks.

As we have seen in previous papers, applying basic knowledge of a term or topic to the business as described in the paper, proves to be quite challenging for

many candidates. The advice to candidates remains - that to improve marks, any analysis and evaluation should be in context and applied to the business concerned, rather than a generic statement which could apply to any business.

Question 6

This is an essay length question, marked on levels; candidates having been provided with a new set of evidence, Section B on the question paper.

Evidence E provided a table of financial figures, an extract from *Pizza Express* Statement of Comprehensive Income for 2015 and 2016.

Candidates were asked to assess the competitiveness of *Pizza Express* based on the statement of comprehensive income.

Answers tended to be based on either a couple of pages of calculations, or just a narrative discussing the movement of figures across the years, without any detailed calculation. The majority of candidates seemed to be able to do lots of calculations, but only the stronger candidates could give a useful commentary on the figures.

Level 1, knowledge marks could be gained from this basic understanding of what is meant by 'competitiveness' but to get Level 2 marks for application candidates were expected to produce some calculations from the given data - this would then provide information on which they could build their answer through Level 3 analysis and into Level 4 evaluation.

Many answers tended to be limited to calculation with little analysis or descriptive answers showing basic knowledge but without context or application to the data provided. To improve marks, the calculations should not only be correct and meaningful, but should include some interpretation of what the figures mean in ratio terms and what they could mean for the business itself, going well beyond the pages of description of figures and description.

As we have seen in previous series, some candidates tried the trick of concluding their answer with a phrase starting 'However…' and making a few comments that countered their positive descriptions of ratio analysis.

Such answers appear to be trying to put the answer into Level 4/evaluation – but unless the evaluation, or analysis, was in context the answer was capped at a lower level.

Candidates need to know that simply rewriting the evidence provided is not answering the question and that generic answers which just write about the concept of ratio analysis, but do not apply the answer to the evidence related to the business itself, will only produce low level marks. Candidates are advised to base their answer on what they know, rather than relying on a pre-learned format for the answer.

Question 7

Essay length question, marked on levels.

Candidates were given a very straightforward question: Evaluate the usefulness of contingency planning for a business such as *Pizza Express.*

The stem of the question had alerted candidates to the fact that Evidence F outlines a number of risks identified by *Pizza Express.*

Questions about contingency planning always attract a lot of generic responses, and this question was no exception. However, although candidates may have good knowledge of the concept of contingency planning, most seem unable to apply this to given evidence, in this case, *Pizza Express.*

Consequently, the quality of answers at this grade was similar to those for question 6 i.e. basic knowledge and lots of description, often just restating or rewriting the risks outlined in Evidence F, with little analysis. To raise the answer up through the levels, and consequently to improve marks, the answer should go beyond a rewrite, and start to analyse what it means for the business itself. Evaluation comes from identifying the shortfalls of contingency planning, taking their answer through L3 and into the middle of L4.

Paper Summary

Based on the work seen from candidates in October 2018 the main issues are summarised as follows:

• Preparedness

Some candidates were not fully prepared, showing gaps in knowledge of specific business terms, a tendency for generalisation, using a rehearsed formulaic approach to answer questions, plus a lack of application in some of the responses, and little depth of assessment or evaluation.

However, in contrast, it has become obvious that some candidates are being over prepared, trained, drilled almost, in the process of answering questions on this paper. Many answers are laid out in a format that matches the mark scheme i.e. being split into distinct sections to cover knowledge, application, analysis and evaluation - this can be seen clearing by the regular use of 'however…' or 'in conclusion…' to signal to the marker that the answer was about to present some 'evaluation'. This is certainly one approach, but it is the candidate's business knowledge, application, analysis and evaluation that we are looking for - not their ability to lay out an answer in a given format.

• Rewriting question and copying given evidence

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 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 knowledge of general business terminology, but candidates need to understand that marks are only given for an answer that addresses the specific question asked.

Candidates need to focus on the question asked, and answer it, rather than just writing about something referred to in the question which they may know about.

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…' etc.

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.

Just writing '…which means or which will lead…to more sales and more profit…' at the end of an answer will not lead to more marks.

• Overwriting

Quantity does not necessarily equate to quality nor to 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 words which just fill the pages.

Markers read every word to see if there are points worthy of credit within the text, but this can be difficult 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 than this and they are usually wasting time in the exam.

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 rambling piece of writing.