

# Examiners' Report/ Principal Examiner Feedback

## Summer 2016

### Pearson Edexcel International GCSE in Business (4BS0) Paper 01

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## GENERAL COMMENTS

This year's paper was, on the whole, well answered. There was limited evidence of candidates being unable to complete the examination paper and it is pleasing to note that centres are taking heed of the advice given in previous years to prepare their candidates for the following year's examination. As a result candidates are applying their knowledge, analysing their knowledge and evaluating the knowledge gained, to answer the questions.

It was evident that many candidates had gained a great deal of business understanding from studying the course and this was apparent in the answers given. However, there are still a number of candidates who are answering the questions showing their knowledge of the topic without giving any application, analysis or evaluative comments. This does restrict the candidates' access to the full range of marks. The scenario of a franchise of hotels operated under Blue16 was something that they could relate to, and there were fewer candidates giving answers which were totally irrelevant to the background or situation.

As mentioned last year, the mark scheme includes the Assessment Objectives to help in the preparation of candidates for future examinations. Just to reiterate, that all four of the Assessment Objectives (AO) are covered throughout the paper and the percentage breakdown of each AO can be seen on page 15 of the Teacher Guide. Also on page 21 there are examples of the command words used that indicate which of the AO's are being tested. In a question where more than one AO is being tested the command word will always refer to the highest AO e.g.

It is also worth repeating yet again, that the examination paper is marked using the online 'ePEN' system, therefore candidates must indicate if they have continued their answer somewhere else on the paper. Although many candidates did heed the advice given in previous years, there were still a number who did not. It is also important that candidates clearly label the additional pages to show which question they are continuing. Below is an example of a candidate who did not indicate clearly where the additional work was.

2 Free training to the workers ~~be~~ offered by franchisee, so the efficiency and productivity will increase and costs will decrease

(b) Discuss two disadvantages of being a franchisee.

(4)

1 James can suffer from being franchisee, as if any thing bad happen to the franchisor, the brand name will have bad reputation due to bad service or poor quality from the franchisor

2 James have to make a regular supervision and monitoring the franchisor to make sure about the quality and service, this will consume more time and costs to James as a franchisee

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As in previous years, the questions can be taken from any part of the specification, therefore centres should ensure that all sections are covered, so that they do not disadvantage any candidates. From the work seen, it appeared that some candidates had not covered the full specification.

## COMMENTS ON INDIVIDUAL QUESTIONS

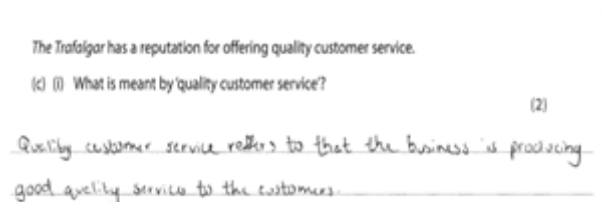
### Section A

#### Question 1

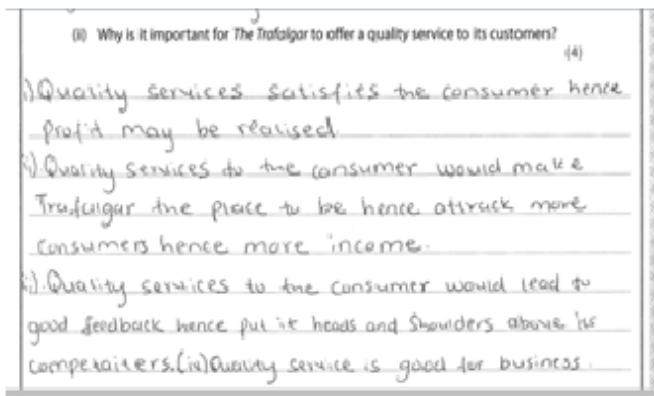
The multiple choice questions were answered quite well by the majority of the candidates.

In part 1 b - This question appeared to confuse a number of candidates, with various responses being made. The main confusion appeared to be where the Board of Directors and the Managing Director would go. A large number of candidates put the Managing Director first as opposed to the Board of Directors. Some confusion also arose because there was no deputy for the Marketing Manager. Just over a third of the cohort gained the full marks for this question.

In part 1 c (i) - the command word “what is” was used, showing that this was Assessment Objective (AO) 1 and candidates needed to give a definition of what ‘quality customer service’ is. A number of candidates tended to repeat the stem of the question in their answer. This should be avoided as it takes up a lot of the available space for an answer, thus leaving little room for the candidate to answer in sufficient detail. Over half of the candidates did not gain any marks at all for this question. A typical response is similar to that given below where the question is repeated in the answer, or slightly changed.

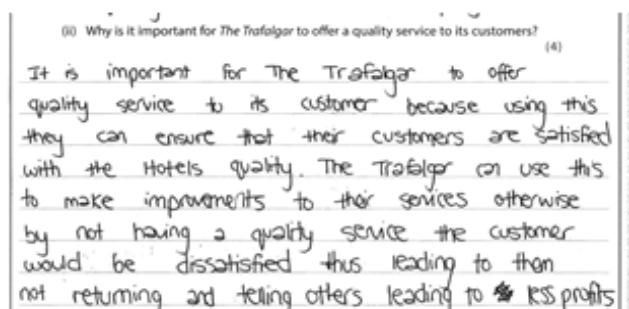


For part 1 c (ii) - candidates clearly understood why it was important for The Trafalgar to offer its customers quality service and over three quarters of the cohort gained more than 2 marks. In fact a number of candidates went into great deal about, reputation, repeat visits, recommending to friends etc and often tried to squeeze additional written work into the answer. Candidates should try to avoid going over the lines allocated by writing down below them.



Although the candidate has numbered the points in the answer; which is not recommended, they have clearly identified and applied their answers to the question.

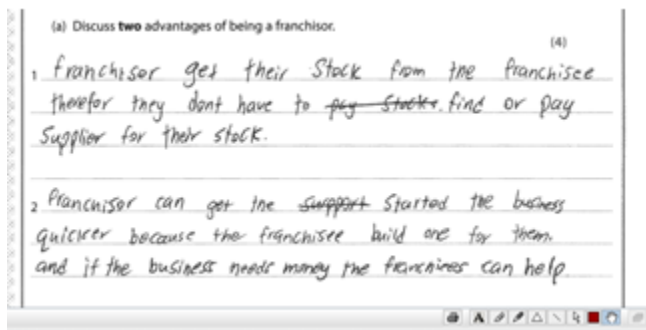
The example below shows how a candidate has answered the question, gaining three marks.



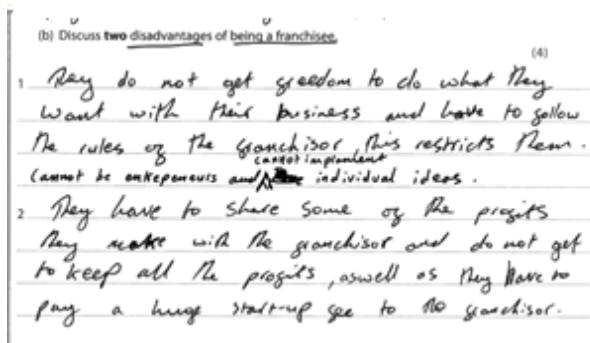
In part 1 d - candidates perhaps did not understand the importance of maintaining a 4\* rating. A number of candidates read the stem of the question and answered as if the hotel wanted to increase the rating from 4\* to 5\*, this was not what the question asked. The stem of the question gives an introduction to what is to be asked. The candidates were told that the ratings are classified according to their quality. Some very valid answers were given relating to the price of a 4\* being lower than 5\* which meant that more people might be able to afford it.

## Question 2

In part 2 a - a number of candidates confused who is the franchisor and who is franchisee and this meant that they may not have gained all the marks available. For 2 a, the question asked for advantages of being a franchisor. The example below shows clearly that the candidate has confused a franchisor with a franchisee, thus gaining no marks.

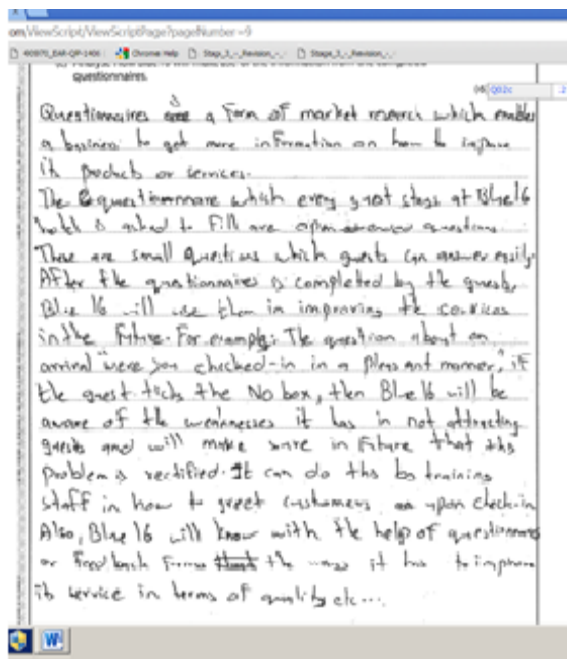


In part 2 b - this part of the question asked candidates to give disadvantages of being a franchisee. This part was answered slightly better than part a, but again candidates had confused the two terms. Candidates should take care with questions of this nature as they are unable to gain double marks e.g. a franchisor gains money from a franchisee for part a, and then for part b writing a franchisee pays a franchisor money.



This candidate clearly shows that they understand the difference between the two and have actually underlined the relevant parts of the question to help them when answering.

In part 2 c - candidates were asked to analyse how Blue16 would use the information from the questionnaire. Some candidates wasted time by completing the questionnaire for which there were no marks available. Over half of the candidates gained either 2 or 3 marks for this question. A number of candidates also used the questionnaire and commented on each section. This then limited them on the marks available, mainly because they were not able to draw conclusions on the usefulness of the questionnaire.

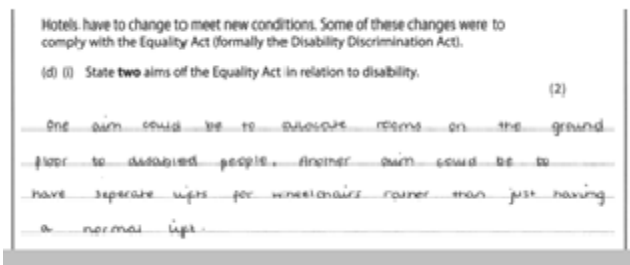


From the above example you will see that the candidate has commented upon how the questionnaire is used within the hotel and how they expect guests to complete it. Two marks were awarded for this clip as the candidate has mentioned, improving the facilities for the future - 1 mark and 1 mark for the comment about improving the training of staff if needed.



In part 2 d (i) - Unfortunately nearly half of the candidates did not score any marks on this question. They were asked to give two aims of the Equality Act in relation to disability. A number of candidates made reference to sex, gender and pay and no mention of disability. Again perhaps they are reading the stem of the question and then not answering the actual question.

Below is an example of a candidate who answered the question correctly, gaining full marks.



In part 2 d (ii) - A number of candidates commented on how the hotel would employ disabled people and the jobs that they could do in the hotel. Again not really answering the question asked. Over half of the candidates gained either 0 or 1 for this question. This again shows the importance of reading the stem of the question, then reading the question, before attempting to answer. An example of a candidate who answered it correctly gaining three marks is shown below.

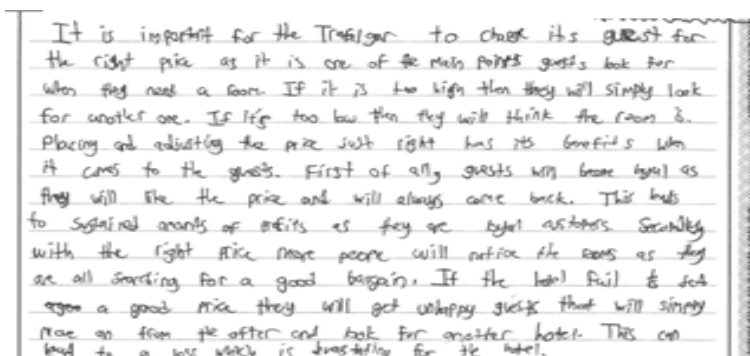


### Question 3

In part 3 a (i) - it is pleasing to report that this question on finance was answered much better than previous finance questions. Very few candidates were unable to calculate the correct ratio figures, thus gaining two marks. However there were a few occasions when candidates had not put the decimal point in the correct place and this makes the answer wrong e.g. 2.206% or .257%, a real pity.

In part 3 a (ii) - Again this section was well answered and only a very small number of candidates did not gain any marks, which is pleasing to report. The majority were able to analyse the information given and comment on how the business has performed over the two years. However, some candidates commented that the business was failing badly even though the figures did not show this.

In part 3 b - candidates were asked to discuss why price is important when charging customers for their rooms. 'Discuss' shows that the AO with the most marks is Evaluative (AO4), although there are marks awarded for AO3 on the question. Some candidates mentioned the 4 P's and answered in relation to all four aspects, this was not required. A number of candidates realised that if the hotel charged too much then this could lead to less people visiting the hotel and also the reverse of the argument, that if the price was too low a number of guests would believe that the standard would not be as good.



It is important for the Traveler to check its guest for the right price as it is one of the main points guests look for when they need a room. If it is too high then they will simply look for another one. If it is too low then they will think the room is. Pricing and adjusting the price just right has its benefits when it comes to the guests. First of all, guests will become loyal as they will like the price and will always come back. This leads to sustained amounts of profits as they are loyal customers. Secondly, with the right price more people will notice the rooms as they are all searching for a good bargain. If the hotel fails to set upon a good price they will get unhappy guests that will simply move on from the offer and look for another hotel. This can lead to a loss which is devastating for the hotel.

This candidate understands the importance of making sure that the price is right for the customer - AO3, if it is too high they will look for another one - AO4, if it is too low they will think that the room is not good - AO3, the comment about planning and adjusting the price just right has its benefits when it comes to guests. First of all guests will become loyal - AO4. This leads to a sustained amount of profit as they are loyal customers - AO4. The last five lines are more than worthy of the last AO4 available for the question. A well justified answer.

In part 3 c (i) - the majority of candidates were able to gain at least one mark for this question with quite a large percentage gaining the two marks. A number of candidates were not explicit enough in identifying their two factors, 'Land' - on its own means nothing, but 'the cost of land' would be a consideration, similarly with 'Supplies' - on its own means nothing but, 'nearness to supplies' would gain a mark.

In part 3 c (ii) - this question was not answered as well as expected. Candidates tended to answer in generic terms, with comments such as 'passing footfall', 'highly populated', which were not specifically related to why the hotels are located at the areas identified. A number of candidates were able to gain the applied marks but not the evaluative marks.

## Section B

### Question 4

In part 4 a (i) - as in previous years economies and diseconomies of scale is a topic that candidates are either fully aware of or they do not understand the concept. This part of the question asked for a definition of what diseconomies of scale means, nearly half of the candidates did not gain any marks, but for those that did gain marks over a third gained the full two marks, thus showing that the term was understood, or not. Economies of scale also appeared in last year's examination paper. As mentioned previously topics can be used in every paper.

In part 4 a (ii) - candidates were asked how economies of scale would help the hotel. As in part (i) just over half of the candidates did not gain any marks for this section. It is reported that a number of candidates left this section blank. The command word was 'explain' therefore no definition was required for economies of scale. Those candidates that did answer the question tended to comment on benefits of purchasing larger quantities, with some mentioning managerial economies of scale. However the evaluative comments of how the hotel would benefit were missed out.

In part 4 b - candidates were asked to select one form of advertising and discuss why this method would be the best choice for the advertising campaign of *Blue16*. As the command word was 'discuss' this indicates that there were more marks allocated to AO4 - evaluate. This question confused a lot of candidates who struggled to structure a coherent response. They tended to move between the two types of advertising, giving positive and negative points at random. Some answers were difficult to mark as they gave only positives of both methods then explained that they would use both, which was not in the spirit of the question. Also from the comments received from the examiners, those candidates that chose informative advertising appeared to gain the higher marks as their reasoning and justification were more applicable to the hotel. For those candidates that chose persuasive, they tended to gain the knowledge marks and the application marks but were not able to gain the evaluative comments. A number of candidates referred to which method they would use to advertise, for example, commenting that television would be the best and why. This was not part of the question and they were unable to gain marks for this. Most candidates tended to gain the middle range of marks for this question.

In part 4 c - again from the comments received back from examiners it appears that a number of candidates misread the question and gave details on where the hotel could advertise, e.g. posters, billboards etc instead of answering the question which asked for two sources of finance that James could use. For those candidates that read the question correctly they were able to gain the marks available. The most popular responses included bank loan, overdraft, retained profit and own savings. Some candidates suggested issue shares, mortgage, trade credit, leasing and selling assets. These were not suitable sources of finance for paying for advertising.

The example below shows how a candidate could have gained the full marks available.

1 Bank loan - James could use a bank loan allowing him to borrow a large sum of money. However, he will have to pay interest on the borrowing, but he has longer payback time, usually up to 10 years to repay the loan, allowing him sufficient time to settle his debt.

2 Retained profit - James could return or retain some of the profit he earns in the business. This is a cheap source of finance with no need for interest payment. However, it may be insufficient if the advertising cost is large.

Total for Question 2 = 20 marks

Each option showed knowledge of what method was chosen, with reasons why and an evaluative comment.

## Question 5

In part 5 a - the majority of candidates were able to gain up to three marks out of the five available. They understood why hotels are labour intensive and why machines could not perform certain jobs. A number of candidates gave a description of what labour intensive meant and unfortunately there were no knowledge marks available, only application and analysis.

The example shown below, shows how the candidate applied labour intensive, to a hotel situation. Then they analysed the reasons why labour intensive is needed, gaining four out of the five marks available.

*It's because labour intensive means the production of goods and services use more labour relative to machinery. Hotel is in tertiary sector and ~~now~~ needs people to serve such as cooking, cleaning room, guiding car park and receiving guests. These tasks cannot be done by machines and need human's great care. The managing and running of hotel needs humans' cooperation so it's labour intensive. A hotel needs people's ability to communicate and make decisions while machines cannot do this.*

In part 5 b - Candidates were asked to advise James on which form of ownership would be best, if he decided to set up on his own. The stem of the question mentioned that there are people willing to join him. Thus giving a 'hint' to the candidates that the most appropriate answers would be either partnership or private limited company. However a number of candidates appeared to confuse ltd's with plc's. Others stated that he should become a sole trader. Some tended to put the negative side of each type of ownership, again the question did not ask for this.

In part 5 c - As mentioned before in previous reports, it is worth pointing out to candidates that this question does carry the most marks and they should allow sufficient time to answer it. A number of candidates only completed a few lines and therefore did not gain many marks. As mentioned previously some candidates continued on additional paper but if there is no indication on the examination paper that they have done so, valuable marks could be lost. A number of candidates answered the question in bullet or numbered format, this will not allow them to gain the higher level marks because they may not have analysed or evaluated the points made.



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