



Examiners' Report/ Principal Examiner Feedback

Summer 2017

Pearson Edexcel International GCSE in Business (4BS0) Paper 1

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 or 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.

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

Summer 2017

Publications Code 4BS0_01_1706_ER

All the material in this publication is copyright

© Pearson Education Ltd 2017

GENERAL COMMENTS

Candidates appeared to find this paper more challenging than previous years. However, 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 to prepare their candidates for the following year's examination. As a result candidates are applying their knowledge, analysing and evaluating to answer the questions.

As reported previously 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 limited company Hukan's Travel Limited involved in transporting of customers for various trips, was something that they found difficulty in relating to, this meant that some of the answers given, did not relate to the business.

As mentioned in previous years, 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 of the Teachers Guide, 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 being tested the command word will always refer to the highest AO e.g. question 4 (c) the command word of Discuss. Discuss is an AO3 command word as the marks allocated were AO2 = 2, and AO3 = 3, therefore more marks were allocated to Analyse.

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.

Also there are some candidates who do not follow the instructions of the examination paper, for the first five multiple choice questions candidates are given the instruction to mark an 'X' in the box. There are still some candidates who are using 'ticks'.

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 (a) (i) When Sunita and Ben started HTL as partners they had (1)

A local liability

B national liability

C limited liability

D unlimited liability

(ii) Coach drivers applying for a job at HTL would complete (1)

A a job description

B a person specification

C a curriculum vitae

D an application form

(iii) Money coming into and going out of HTL is (1)

A a mortgage

B break-even

C cash flow

D profit and loss

(iv) Which method of training is carried out when an employee starts at HTL? (1)

A induction

B on-the-job

It is also important that candidates clearly label the additional pages to show which question they are continuing with. Below is an example of a candidate who did not indicate clearly where the additional work was, if there was any. However, the sentence does not seem to finish.

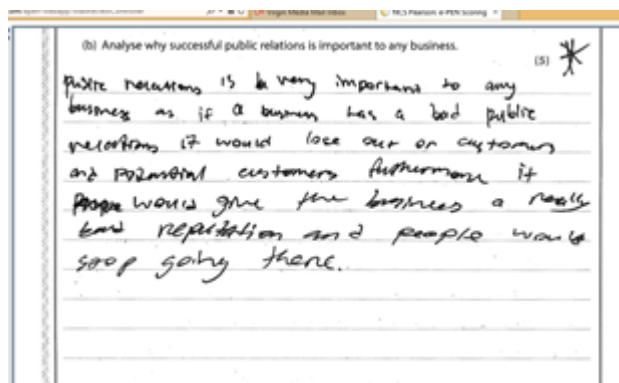
If HTL expands rapidly, there will be diseconomies of scale. One of these diseconomies of scale might be communication.

(e) Consider **two** ways that this diseconomy of scale could be managed.

1. You could introduce a communication system throughout your whole company, so that staff can easily talk to each other. *(like on a road)*

2. You could have a meeting with all of the managers from all of the centres once a week to discuss what is happening in the upcoming... *(Total for Question 2 = 20 marks)*

Yet another candidate appears to indicate that there is additional work by adding a 'star' – but the examiner was not sure, as they had not completed all the lines for the question. Had the candidate added more detail somewhere else?



Questions can be taken from any part of the syllabus, 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 well by the majority of the candidates, with perhaps question 1 (a) (iv) where only approximately two thirds of the candidates gained the mark. Perhaps it was confusion over when training does take place when an employee starts work, the answer being induction, but did some candidates confuse it with on-the-job?

In part 1 b (i) – the command word of ‘using an example’ followed by describe should have indicated to candidates what they needed to do. The example below, has given two examples, bonus and promotion. A number of candidates mentioned increase wages which is not an incentive, as increased wages is permanent. Less than half of the candidates of the cohort gained the two marks available,

| | | |
|--|-----------|---|
| (b) (i) Using an example, describe how Sunita and Ben could motivate their staff financially. | (2) (20%) | 1 |
| They could give bonuses out to the best employees. They could give promotions which include an increase in salary. | | |
| (ii) Identify the sector in which HFL operates. | (1) (20%) | 1 |
| They operate in the tertiary sector tertiary sector | | |

In part 1 (b) (ii) – the example above shows that candidates did not need to write anything more than ‘tertiary’ to gain the mark. This could have saved them some time. Although only approximately two thirds of the candidates gained the mark for this question, some candidates thought it was the ‘private’ which is correct but does not answer the question.

In part 1 c – this question has appeared before and again tested the knowledge of candidates, with two fifths of the candidates gaining full marks for the question and over a third of candidates did not gain one mark. Some candidates did have the correct names but in the wrong order. Some candidates described the categories, which did not gain them any marks.

In part 1 (d) (i) – most candidates were able to gain one mark, however there were a number of candidates that gave the answer of ‘unlimited liability’. If they had carefully read the scenario they would have realised that the business was already a private limited company and therefore had limited liability. Again it is worth reiterating to candidates that they should read the scenario carefully before attempting any questions.

In part 1 (d) (ii) – again some candidates did not read the question correctly and gave details about publishing accounts which was not required. Most realised that Sunita and Ben could lose control and that the business could be taken over by anyone who purchases more than 51% of the shares.

In part 1 (e) – over half, of the cohort were able to gain at least two marks out of the possible four. Most were able to make comments on competitors seeing the accounts and how the business is performing. However there are still a number of candidates that waste a great deal of time and space by including most of the question in their answer.

Question 2

In part 2 (a) (i) – a large proportion of the candidates did not gain any marks for this part of the question. Many candidates gave the answer as coaches, computers, buildings, which are fixed assets as opposed to current assets. Again this may be because they have not fully read the question.

In part 2 (a) (ii) – candidates were asked to outline two reasons why working capital was needed, this question was answered slightly better than part 2 (a) (i). However a number of candidates did not give sufficient detail, as an outline, e.g. petrol, if they had gone on to explain that this is a day-to-day expense they would have gained the marks.

In part 2 (b) – over three quarters of the candidates were able to make the correct calculation to gain the mark available.

In part 2 (c) – most candidates tended to give a detailed explanation of what ROCE meant, which in effect is knowledge, the command word was from Applied objective. Candidates therefore needed to apply the information as to how the ratio would help shareholders. Most candidates were able to gain one or two marks.

In part 2 (d) – candidates were able to identify why financial information would help a business when making decisions, with the majority of the cohort gaining at least 2 marks. Some candidates did give examples of each document that could be used and what was included in the document. Again candidates should read carefully the question as the command word was 'Discuss' which gives the indication that it is either 'analysis' or 'evaluative' comments that are required to answer the question.

In part 2 (e) – the majority of the cohort tended to give a response which indicated ways that the business should change, e.g. employing staff who are trained, rather than how the business could manage the diseconomy. Some tended to give detail about diseconomies of scale but did not refer back to the stem of the question which required them to look at communication. A common answer was to set up email accounts – this might be useful but there is no guarantee that the email would be read.

Question 3

In part 3 (a) – over three quarters of the candidates failed to gain a mark for this section. Again, perhaps candidates had not read the stem of the question and the question together. The two laws were to ensure that consumers are protected when dealing with businesses, therefore Health and Safety and Discrimination would not be relevant.

In part 3 (b) – it appeared that candidates were not familiar with this policy and tended to generalise on how it would stop businesses competing with other businesses. For those candidates that did have knowledge of the policy the explanation was relevant and valid.

In part 3 (c) – the majority of candidates were able to gain at least two marks on this question, justifying why *HTL* should use renewable energy, with creating in a brand image, and by using the renewable energy they would more likely to gain support and help from the Government which was a clue in the stem of the question. However few candidates were then able to develop their comments further.

In part 3 (d) – this question proved to be quite challenging for a large percentage of the cohort, with a number of candidates not gaining any marks on this question. Perhaps this was an area of the specification that was not covered in sufficient depth? Again the stem of the question gave the candidates the direction they could answer in and they then had to justify their answer as to why they had chosen the method. Some candidates tended to mix up the different taxes in their answers, this then meant they were unable to gain the full marks available. Some candidates did not realise the impact of the taxes upon *HTL's* consumers. If indirect tax is increased it will affect what the consumers pay for their goods. Some candidates commented on the fact that they might not use the transport because of the cost.

Section B

Question 4

In part 4 (a) (i) – the majority of candidates were able to identify a suitable source of finance that could be used to pay for the computers and software, however the reasoning for the choice was not as well executed. Often candidates gave a description of the source of finance but did not apply it to HTL.

In part 4 (a) (ii) – most candidates were able to gain marks for their analysis of this question. Candidates understood the consequences for the business if it used its profit to purchase the computers. A number of candidates also identified that the shareholders would not be very keen that the profit is used as their share value would not raise as much dividend.

In part 4 (b) – most candidates were able to evaluate the costs and benefits of purchasing new technology for the business and identified the various issues that it could cause, both benefits and disadvantages. However there were some unusual comments about the future with ‘driverless coaches’, improving the speed of getting from place to place!

In part 4 (c) – most candidates were able to gain at least two marks on this question, discussing the reasons why the business should change to low carbon emission fuel. The stem of the question helped to steer the candidates in the right direction. Candidates were able to comment on the, ‘brand image’, being good for the environment, the opinions of the local community etc were comments made. Unfortunately on a number of occasions candidates did not develop their answers to gain the full five marks available.

Question 5

In part 5 (a) (i) – again candidates were able to gain the marks available in they understood what below-the-line promotion was. A number candidates appeared to have mixed up their answers and gave the example in part (ii) as opposed to part (i) and therefore did not gain the marks available. There was a great deal of confusion with some candidates answers as to what a below-the-line method was, examples of advertisements on buses/coaches were often given. Yet again, part of the specification that candidates perhaps need to revisit.

In part 5 (a) (ii) – for those candidates that had clearly identified a correct method they were able to develop their answers and gain the marks available.

In part 5 (b) – most candidates were able to score marks on this section, identifying the importance of public relations to any business. However very few candidates were able to gain all the allocated marks for this question because they did not analyse the points made. A few candidates did comment on the negative aspect of public relations and were able to justify why a business would see it as important. Most candidates tended to give several applied comments which would only gain them a maximum of three marks.

In part 5 (c) – Again 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 of the marks available. Some candidates are still using bullet points or numbered format yet again, this will not allow them to gain the higher level marks because they may not have analysed or evaluated the points made.

(c) Justify why you have selected this option and rejected the other. (10)

I chose secondary research because

- 1) easier for the company
- 2) no new research is needed
- 3) will take less time -
- 4) costs basically nothing
- 5) ~~more~~ more reliable

I believe that primary research

- 1) takes time
- 2) more expensive
- 3) isn't that reliable
- 4) harder for the company to do
- 5) might be done wrong.

This type of answer does not gain them any marks.

Some candidates continued on additional paper, which is acceptable, but if there is no indication on the examination paper that they have done so, valuable marks could be lost. Candidates must let the examiner know that they have continued their answer, simply by adding the word 'continued', or 'contd' is acceptable. A number of candidates answered the question in bullet or numbered format yet again, this will not allow them to gain the higher level marks because they may not have analysed or evaluated the points made. The topic of primary and secondary research was an area of the specification that candidates could have developed. However, far too many candidates gave very detailed descriptions of each of the methods without applying, analysing or evaluating. For this particular question there were no knowledge marks available. Very few candidates related their comments back to *HTL* this often meant that they did not get the applied marks available. Where candidates did justify why they had chosen one method, they often tended to use the reverse argument for the other method, this did not gain them additional marks. However, there were a number of candidates that were able to justify why they had chosen one method as opposed to the other, and gave valid and relevant reasoning. Examiners reported that there were some candidates that left this question blank, hence gaining no marks. A pity. Most candidates were able to gain the middle range of marks for this question.