



Examiners' Report
Principal Examiner Feedback

Summer 2019

Pearson Edexcel International GCSE
In Business (4BS1) Paper 01R

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PE report on International GCSE in Business 4BS1 01R – 2019

General comments

This was the first paper to be sat for the new specification for Paper 1 both paper 1R and 2R allow learners to apply theory to realistic contexts.

This paper is based on Lavender, a Malaysian business, which proved accessible to candidates. Many candidates showcased evidence of their understanding of Business from studying this course. However, providing answers on the given scenario seemed to present some difficulty for some learners which restricted their entry to the higher levels. Centres are encouraged to work closely with their learners to encourage them to revisit the scenario set and encourage them to practice answering questions in the context of the scenario set.

Centres are advised to look at the command words outlined on page 31 of the specification as many learners are losing marks through their lack of understanding of these words, in particular the 'State' questions. For example, 'State in question 1 (d) required learners to 'State one reason Lavender would recruit internally'. To achieve full marks the answer must be in context to the given scenario but a lot of learners provided a reason to recruit internally with no context to Lavender.

To assist centres in their preparation for future examinations it is worth noting that the mark scheme does include the Assessment Objectives (AO) for all questions. The breakdown for each AO can be seen on page 7 of the Getting Started to Teach guide. Questions 2 (f) and 3 (e) in particular were poorly answered. For analysis (AO3) and evaluation (AO4) responses candidates are asked to write an extended answer using the information provided within the paper.

The time provided for the paper was sufficient and the paper differentiated well. Most gaps were found in questions 2 (f) and 3 (e) where learners showed little knowledge of how to answer a 'Justify' question. Learners showed clear knowledge of the two options for Lavender but often were unaware there are no AO1 marks available for these questions and they are being tested on application (AO2), analysis (AO3) and evaluation (AO4) skills to be able to successfully recommend one of the options to Lavender. Learners should practice writing more concise answers to these questions as the lines available are more than adequate for such a question but often learners are using additional papers without gaining additional marks. When additional paper is used candidates must indicate they are doing so as marking is completed online and examiners may not be aware additional paper is being used. Candidates must also be reminded that questions must be clearly labelled on the additional paper.

Overall, learners responded well to the paper.

Comments on individual questions.

Question 1

The multiple-choice questions were well answered. Questions 1 (a) (i) through to 1 (a) (vi) saw the majority of candidates gaining the mark for each question.

Q01b – this question saw over almost two thirds of candidates correctly define the term short-term finance. Some candidates did not gain the mark as they simply stated methods of short-term finance as opposed to providing a definition of the term.

Q01c – just over one third of candidates were able to correctly define the term above the line promotion. Some candidates confused this with below the line promotion or an employee being promoted within a business thus gaining no marks.

Q01d – not a well answered question; just under a fifth of candidates gained a mark for this question. Candidates were able to identify a reason of why a business would recruit internally but few understood the answer needed to be in the context of Lavender.

Q01e – a calculation question where three quarters of candidates gained full marks for the correct calculation of the cost of buying 25 cakes with a 15% discount. Some candidates worked out the 15% discount but did not go on to take the discount from the cost of 25 cakes thus only gaining one mark. It is good practice for candidates to show working out as they could gain a mark for substituting numbers into the formula even if their final answer is incorrect.

Q01f – a question where one third of candidates were able to explain one advantage of being a franchisee and then develop this answer to gain full marks. Some candidates explained what a franchisee was but did not provide any advantage of being a franchisee therefore not gaining any marks. Candidates who only listed advantages with no development can only gain one mark.

Q01g – a question where candidates have shown good knowledge of the importance of customer satisfaction. Candidates must be reminded that there are AO2 marks for this level-based question as often candidates would provide an extended answer but not apply this answer to the context of Lavender therefore not allowing themselves to move into the top of level 2. Most marks gained by candidates were within the bottom of the level 2 band for this particular question.

Question 2

Q02a – a ‘State’ question which was not well answered by candidates with less than a fifth of candidates gained a mark. Candidates were often able to generically offer a non-financial method of motivating staff but not apply the non-financial method of motivation to Lavender.

Q02b – again, another ‘State’ question which was not well answered by candidates. Less than one fifth of candidates were able to correctly identify a function of the finance area in the context of Lavender. Centres must remind candidates that ‘State’ questions need to be in the context of the given business, the majority of candidates are currently being disadvantaged by not being taught this skill.

Q02c – one third of candidates showed a lack of knowledge of penetration pricing and gained no marks. Those candidates who had an understanding of penetration pricing were able to successfully develop on the way a business can use this pricing strategy. A reminder that an ‘explain’ question does not need to be in context.

Q02d – almost half of candidates gained 2 or more marks for this question as they were able to correctly identify a reason why a business would have a short span of control and go on to develop this answer. Unfortunately, over one third of candidates gained no marks on this question due to a lack of knowledge of a short span of control.

Q02e – half of the candidates demonstrated a lack of knowledge of diseconomies of scale and therefore gained no marks for this question. Candidates often confused this with economies with scale. One fifth of candidates gained full marks and correctly identified a reason why diseconomies of scale may occur in a business and then developing the answer. The most popular answer by candidates was the business gets too big.

Q02f – for this question candidates were asked to choose between batch production and flow production to maintain the standard of bakery products when eight more outlets are opened. Those candidates who gained no marks on this response simply showed knowledge of one or both options with no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to Lavender but this was not always expanded upon in their answer. More able candidates accessed level 3 by considering their chosen option in the context of Lavender and how this would impact the standard of their bakery products, linking their points together and concluding their answer with balance and justification.

Question 3

Q03a – less than half of the candidates were able to correctly define the term current liabilities. Candidates have often confused this term with current assets or listed current liabilities as opposed to providing a definition.

Q03b – those candidates who gained full marks on this question were able to outline a reason why the revenue is higher for the Bakery shops rather than L.Cafe and L.Bistro and develop their answer all in the context of Lavender. Candidates were able to think about the daily use of the Bakery shops in comparison to the other outlets. Some candidates stated figures from the Figure 1 with no relevance to the question thus gaining no marks.

Q03c – a calculation question which has been very well answered and the majority of candidates gained full marks.

Q03d – a question where one fifth of candidates did not gain any marks due to a lack of knowledge of the Statement of Comprehensive Income or they have shown knowledge of the Statement of Comprehensive Income but with no application to Lavender or any analytical points. Those candidates who accessed level 3 carefully considered how the Statement of Comprehensive Income can be used by Lavender when considering its expansion. Candidates were disadvantaged when they did not apply their answer to Lavender as they cannot access the top of level 2 without any application.

Q03d – for this question candidates were asked to choose between primary market research and secondary market research for Lavender to know what its customers' needs and wants are prior to expansion. Some candidates who gained no marks on this response simply showed knowledge of one or both options with no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to Lavender but this was not always expanded upon in their answer. More able candidates accessed level 3 by considering their chosen option in the context of Lavender and how this would impact the business when expanding, they have linked their points together and concluded their answer with balance and justification.

Question 4

Q04a – a calculation question which has been well answered by candidates. Candidates were able to substitute the numbers into the formula correctly leading to two thirds of candidates gaining one mark for this question. Centres must remind candidates that where it is stated in the question the answer is ‘to 2 significant figures’ then this is the expectation of the answer. Candidates have often provided a lengthy answer and not gained full marks as their answer is not to 2 significant figures.

Q04b – a question which shows most candidates have an understanding of internal sources of finance. Those candidates who analysed the benefits of using internal sources of finance often did not apply it to Lavender therefore could not access the top of level 2. Those candidates who accessed level 3 did so by detailed analysis of the benefits of using internal sources of finance in relation to Lavender and its expansion plans.

Q04c – centres are reminded that this is the only level-based question in the paper which is equally weighted across all four assessment objectives.

It is pleasing to see that on the whole most candidates made an attempt at this question. Answers were varied and over one third of candidates accessed level 2 on this question. This question asks candidates to evaluate the benefits to Lavender of using other forms of technology to promote its products. The stem of the question states that Lavender already uses a website to promote its products so it is unfortunate that a handful of candidates misunderstood the question and detailed the benefits of a website to Lavender when promoting its products thus gaining no marks as this does not answer the question.

Candidates at level 1 made some attempt at the question and were able to make basic statements about other forms of technology often without any reference to Lavender or any development of their answer.

Those candidates who accessed level 3 carefully considered the benefits of using other forms of technology to promote its products in the context of Lavender as well as explaining how these forms of technology could be used by Lavender. Candidates have successfully linked their points together in a logical order and been able to conclude their answer with a well balance and justified argument.

Those who performed less well than expected on this question did so for one of two reasons.

Firstly, candidates provided a generic answer with no application to Lavender or candidates would go into detail outlining a number of forms of technology.

Secondly, candidates did not provide a thorough judgment relating back to any issues that may occur for Lavender if they were to use other forms of technology to promote its products or they did not balance their conclusion therefore limiting their evaluation.