



Examiners' Report
Principal Examiner Feedback

Summer 2019

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

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

General comments

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

This paper is based on Backyard Shoez, in Kenya, 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 method Backyard Shoez could use for on-the-job training'. To achieve full marks the answer must be in context to the given scenario but a lot of learners provided a method of on-the-job training with no context to Backyard Shoez.

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 Backyard Shoez 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 Backyard Shoez. 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. In addition to this candidates must 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 (iv) saw the majority of candidates gaining the mark for each question. Question 1 (a) (v) saw around half of candidates gaining a mark with almost half failing to calculate an exchange rate conversion.

Q01avi saw most candidates able to identify the effect of a change in the exchange rate.

Q01b - this question saw most candidates correctly define the term stakeholder although some candidates are still confusing the term with shareholder.

Q01c – most candidates were able to correctly define the term quantitative data, although some candidates confused this with qualitative data or market research.

Q01d– not a well answered question; just over a tenth of candidates gained a mark for this question. Candidates were able to identify a method of on-the-job training but few understood the answer needed to be in the context of Backyard Shoez.

Q01e – a calculation question where half of candidates gained full marks for the correct calculation of the gross profit margin and to 2 decimal places. Just under half of candidates gained a mark for this question. Centres must remind candidates that if the question states ‘to 2 decimal places’ then this is the expectation to gain full marks for the question. It would also be helpful for centres to remind candidates to some formulas are provided at the front of the paper, whilst most candidates did use these there are still some that are not.

Q01f – a question where one third of candidates were not able to explain one way a business could increase its gross profit margin and therefore gained no marks. One third of candidates gained a mark for identifying one way but then not developing their answers. One quarter of candidates were able to add some development to their answer to gain two marks. Less than one tenth of candidates gained full marks for this question. This may be down to lack of knowledge of how to increase gross profit margin. Candidates who list more than one way can only gain one mark.

Q01g – a question where candidates have shown good knowledge of how customer needs can be satisfied. 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 Backyard Shoez 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. Candidates were often able to generically offer a suggestion of a fringe benefit but not apply the fringe benefit to Backyard Shoez. Only one fifth of candidates were able to correctly identify a fringe benefit and put this in context to Backyard Shoez.

Q02b – again, another ‘State’ question which was not well answered by candidates. Only one tenth of candidates were able to correctly identify a benefit to Backyard Shoez of using off-the-job training. 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 – this was not a well answered question, on the whole due to a lack of knowledge of the human resource function. Centres are reminded that any area of the specification can be tested. Where candidates have identified a reason why many businesses have a human resource functional area, it is often the case that candidates could not then explain this reason as only a third of candidates gained more than one mark. A reminder that an ‘explain’ question does not need to be in context.

Q02d – just under half of candidates gained 2 or more marks for this question as they were able to correctly identify a method of above the line promotion a business could use 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 methods of above the line promotion, this was often confused with an employee being promoted within a business or below the line methods of promotion.

Q02e – most candidates were able to identify one way the product life cycle can be extended but some found it difficult to extend their answer beyond listing the way and therefore were unable to gain full marks.

Q02f – for this question candidates were asked to choose between bonus payments and job enrichment to motivate their employees. 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 Backyard Shoez 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 Backyard Shoez and how this would impact the motivation of their employees, linking their points together and concluding their answer with balance and justification.

Question 3

Q03a – a well answered question where candidates have been able to show their knowledge of defining the term profit. Some candidates are getting the term confused with sales.

Q03b – a question which proved a challenge for some candidates. This question does need to be in the context of Backyard Shoez to gain the full marks. Some candidates went on to explain what interest rates are, the question is asking candidates for an impact as there are no knowledge marks available.

Q3c – a calculation question where half of the candidates did not gain a mark. Often candidates used the wrong calculation indicating a lack of knowledge to calculate the break-even point. Just under half of the candidates understood how to calculate the break-even point and accessed full marks.

Q03d – a question where one third of candidates did not gain any marks due to a lack of knowledge of break-even analysis or they have shown knowledge of break-even but with no application to Backyard Shoez or any analytical points. Those candidates who accessed level 3 carefully considered the benefits to Backyard Shoez of using break-even analysis in the planning of launching its new shoes. Candidates were disadvantaged when they did not apply their answer to Backyard Shoez as they cannot access the top of level 2 without any application.

Q03e – for this question candidates were asked to choose between crowdfunding and an overdraft for Backyard Shoez to gain additional finance. One fifth of the 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 Backyard Shoez 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 Backyard Shoez and how this would impact the business when deciding which method of finance to choose, 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. Over half of the candidates have been able to successfully calculate the markup on children’s shoes. Centres should encourage candidates to include their working out as often candidates gained a mark for their calculation despite their final answer being incorrect. Candidates should also be encouraged to double check their working out as some candidates calculated their working the wrong way around on this question thus not gaining any marks.

Q04b – a poorly answered question due to the lack of knowledge of profitability ratios, this has led to one third of candidates not gaining any marks on this question. Those candidates who analysed the usefulness of profitability ratios often did not apply it to Backyard Shoez therefore could not access the top of level 2. Those candidates who accessed level 3 did so by detailed analysis of the usefulness of profitability ratios in relation to Backyard Shoez with some candidates linking it to other information given about the business throughout the paper.

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 one third of candidates accessed level 2 on this question.

Candidates at level 1 made some attempt at the question and able to make basic statements about primary market research often without any reference to Backyard Shoez or any development of their answer.

Those candidates who accessed level 3 considered the importance of primary market research in the context of Backyard Shoez and how the business can use primary market research. 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 Backyard Shoez or candidates would go into detail outlining a number of primary market research methods.

Secondly, candidates did not provide a thorough judgment relating back to any issues that may occur for Backyard Shoez if they were to use primary market research or they did not balance their conclusion therefore limiting their evaluation.