



# Examiners' Report Principal Examiner Feedback

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Pearson Edexcel International Advanced  
Subsidiary in Business (WBS11/01)

## **Introduction**

### **Question 1a**

This question was generally well answered with many candidates gaining the full 2 marks. A small number of students failed to include that market share is a **percentage** of the total sales in the market.

### **Question 1b**

Many students were able to provide the formula for Price Elasticity of Demand (PED) and calculate the percentage changes in demand and price. However, many students failed to show the answer with a minus sign. Price Elasticity of Demand is always a minus value, and it is important the centres teach the students to include this in the workings and the final answer.

### **Question 1c**

Many students scored full marks for this question. There were some very good answers with students showing knowledge of branding and applying it well to Samsung. However, there are still many students who simply copy sections from the case study and do not use the evidence to contextualise their points. Standalone evidence will not be rewarded if it does not support the knowledge and analysis given by the candidate.

### **Question 1d**

Many students did not provide a good response to this question. Whilst most candidates showed basic understanding of secondary research, they failed to use this knowledge to fully answer the question. The question asked how Samsung could use secondary research to develop new products. Most students failed to address the second half of this question and simply gave a list of advantages and disadvantages of desk research. Answers were generic in nature and failed to meet the level three criteria.

### **Question 1e**

Few candidates answered this very well and some showed a lack of understanding of price skimming. Many candidates seemed aware that price skimming involves setting a high price but failed to acknowledge that the price is then reduced as competitors enter the market. As such many students confused price skimming with premium pricing. A small number of students confused price skimming with penetrating pricing and as such scored no marks for this question.

### **Question 2a**

This was well answered with a significant number of candidates gaining the full 2 marks. A small number failed to show the meaning of differentiation and simply repeated the word in their response.

### **Question 2b**

This question was generally answered well with students demonstrating the ability to draw and label a supply and demand diagram and show the correct shift. Some students lost marks for not labelling the equilibrium and students should be reminded to do this.

### **Question 2c**

Similarly, to 1c there were many good answers with many students gaining high marks. Students generally demonstrated good knowledge to explain the advantages of providing incentives to workers and often contextualised the answer well by using evidence from the case study. As with 1c some students were simply copying evidence from the source booklet but did not use this evidence to adequately support their answers.

### **Question 2d**

There was a range of answer with some students showing good knowledge of the design mix and providing coherent chains of reasoning. Most students attempted to give balance to their answers by contrasting with the importance of aesthetics and cost of manufacture. However, there were many generic answers that failed to link to the case study and use the evidence provided. Some of the arguments lacked coherent chains of reasoning and failed to attract high level 3 or level 4 marks.

### **Question 2e**

There was a mixed set of responses to this question, with some students showing good understanding of the topic and using the evidence well to develop their points. However, many students gave generic answers about the advantages of a niche market without putting into the context of Lehman's. Most failed to provide a convincing balanced argument and an awareness of competing arguments. A small number of students are still simply copying large amounts of text from the case study provided without using that information to analyse and evaluate. A surprisingly high number of students achieved no higher than level 2.

### **Question 3**

A wide range of answers were given, but generally the question was answered reasonably well. It was apparent that many students understood the topic and were able to demonstrate good understanding of training. The best answers demonstrated good context, acknowledging the luxury nature of the business and its position in the competitive hotel industry. However, some of the responses were disappointing as they did not use the evidence provided. Some answers provided were generic in nature and simply listed advantages and disadvantages of a on the job and off the job training. Whilst many answers attempted a recommendation for Shangri-La Hotels, they failed to justify their choice by giving a full awareness of the validity and significance of competing arguments. There was no real evidence to suggest that candidates did not have enough time to complete the paper with the majority of students attempting to answer question 3.

## **Summary**

Based on their performance on this paper, candidates are offered the following advice:

Ensure price elasticity of demand shows a minus sign in the working and in the answer.

Read the whole question and ensure you are addressing all elements of the questions and not just one part of it. (Refer to question 1d above as an example)

Make use of the examples and evidence in the source booklet to illustrate your argument. However, do not simply copy evidence from the source booklet without using this information to explain your answer. Stand-alone evidence will not be rewarded if it does not support the points being made.

Do not simply list everything you know about a topic, read the question carefully to determine the specific area of the topic you are asked to write about.

Justify your recommendation in the longer questions.