Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel International Advanced
Subsidiary
and International Advanced Level
In Business (WBS12 01)

General

The consistent structure of the paper meant the questions in this series were split into 3 sections as in all previous series for this qualification. Sections A and B each had five questions, ranging from 2 to 10 marks and Section C had one 20 mark question. Once again, it was evident many candidates had used papers from previous series to practice their responses and especially pleasing to see, note had been taken of many of the points in previous examiner reports.

In general, candidates appeared to be well prepared for most of the topic areas on this paper. However, there were some topics where that did not appear to be the case. The ability of the most able candidates was shown through relating their knowledge and understanding to the evidence presented, whereas those struggling with such concepts typically answered questions with a more generic approach and/or inaccuracies. The levels of response questions required understanding to be developed and applied to the relevant evidence. Although this approach was adopted by some, there were instances where a more basic understanding was demonstrated, thus limiting the attainment of higher levels. There did not appear to be many issues with the length of time students needed to complete all questions set.

Report on individual questions

Section A

Question 1a

There were 2 parts to the question to define the term 'unique selling point' and examiners were looking for references to 'product features' and 'distinguish from other products' or equivalent. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but, as in always the case with 'define' questions, no marks are available for these. Partial explanations were awarded 1 mark. Although many candidates provided an accurate definition, some were too vague, meaning the required knowledge was either only partially, or not demonstrated at all.

Tip: Unlike with higher mark tariff questions, reference to information in the extract(s) is **not** required for 'define' questions.

Question 1b

Many candidates were able to calculate the correct average sales revenue per film and so were awarded 4 marks. Marks could be awarded for showing workings but these were not necessary if the correct answer was shown. Some candidates were able to show knowledge of the formula and/or apply the correct figures meaning some marks could be awarded for accurate knowledge and/or application.

Tip: It is important to give the answer using the correct units. By doing this, full marks can be achieved.

Question 1c

Good responses were able to analyse two possible advantages for the Mundin family using retained profit. The advantages could relate being less expensive, more flexible, quicker or any other suitable response.

Advantages given were not necessarily applied and/or analysed appropriately. Stating a part of the extract in isolation is NOT application. It must be applied to the advantage, for example, 'As the family had been successful with its other 3 cinemas, retained profit may have been easily accessible to use when buying new seating'. To analyse this point, a cause or consequence is needed. 'Analyse' questions do not have any AO4 (evaluation) marks.

Tip: There are 2 knowledge marks, 2 application marks and 2 analysis marks for analyse questions. Although the knowledge marks can be given for an appropriate definition instead of stating 2 ways/disadvantages/reasons etc., it is not possible to apply or analyse the definition and so marks are likely to be limited with this approach and students should focus on stating, then applying and analysing the two ways/reasons/disadvantages etc.

Question 1d

This question was marked using the levels-based marking grid. For an 8 mark 'discuss' question there are three levels. Examiners read the whole response and decide which level is the best match. If a response is lacking certain characteristics, examiners move towards the bottom of the level. If it is a strong match they will move towards the top and this approach is used for all levels of response questions on the paper.

There was a range of discussion about the advantages to the Mundin family of leasing the building. Stronger responses presented chains of reasoning based on the evidence in the extracts such as costs being lower, meaning more retained profit could be used on attracting demand for the cinema, as well as not needing to pay for building maintenance. This was countered well with use of the extracts and ideas such as not being able to make major changes to the premises without permission of the owner. Some students failed to achieve a higher level because the response was limited to just a reference to the generic factors and/or without presenting a chain of reasoning.

Tip: The command word 'discuss' requires a two-sided argument. If a candidate doesn't provide a two-sided argument or presents a generic answer, they would be unlikely to reach the higher levels. A conclusion is not required for an 8 mark discuss question.

Question 1e

This was a levels-based question with 4 levels. Although many candidates showed a good understanding of causes of business failure, they were not always able to apply this to The Rex Cinema. Analysis of previous causes was often effective but some responses presented were generic and/or failed to fully answer the question. Therefore, reducing progression through the levels.

Similarly, attainment of higher levels requires developed chains of reasoning, in context, in order to assess the points made. Without this, the higher-level descriptors are not matched, meaning only a low-level mark is likely to be achieved. For applied responses, examiners were looking for evidence from the extract to be used and not simply be stated without being relevant to the point(s) being made.

Tip: The command word 'assess' will always require a more in-depth development and some evaluation of the arguments compared to the command word 'discuss'. Candidates are encouraged to use a range of relevant evidence throughout the response to highlight their points and NOT to simply list (generic) factors without developing chains of reasoning or providing an assessment.

Section B

Question 2a

There were 2 parts to the question to define the term 'complementary goods' and examiners were looking for references to 'consumption of products together' and 'purchase of products together' or equivalent. Candidates had to provide both parts to gain 2 marks. Examples were occasionally used by candidates but, as in the previous 'define' question, no marks are available for these. Partial explanations were awarded 1 mark.

Tip: This question will always have 2 marks available for a definition so ensure that your response is fully developed and is not a vague attempt at explaining the term.

Question 2b

Explain questions have an assessment objective make-up of 1 x AO1, 2 x AO2 and 1 x AO3. This is exactly the same as other types of 4-mark questions (construct and calculate). Therefore, with only 1 knowledge mark available, this needed to come from giving one way the break-even point was affected (it would increase) and not from a definition. This knowledge mark can be presented anywhere in the response. Further marks can only be gained by using the extract (for up to 2 application marks) and/or analysing the reason. For example, using the figures relating to variable costs, kayak rentals per hour and/or contribution and an explanation that contribution had decreased.

Tip: Always ensure one way/advantage/reason etc. is stated because this is essential for obtaining marks on explain questions.

Question 2c

More able candidates were able to analyse two advantages for Kajak Kanu Klub of producing a business plan. A good use of application was seen in many responses but sometimes a part of the extract was simply stated separately, rather than used in the analysis. This does not allow access to the application marks.

Analysis of having better opportunities to access finance, to identify strengths and weaknesses of the business or to motivate employees were often successful in scoring higher marks. However, a description of factors just lifted from the extracts meant some candidates did not achieve many marks because this did not answer the question.

Tip: Make sure the extract is USED to apply the knowledge, not simply copied directly into a stand-alone sentence.

Question 2d

Like 1d, this was marked using the levels-based marking grid and consisted of 3 levels. Candidates were generally able to provide a response which discussed the difficulties faced when forecasting rentals due to consumer trends but some did not apply this appropriately or provide an assessment. Therefore, these responses did not match the descriptors of the higher levels.

Better answers were able to apply evidence from the extracts to provide developed chains of reasoning, such as discussion about the length of time the Klub had been in business and/or fluctuations in the amount of tourism.

Tip: The command word 'discuss' requires both sides of an argument. Some candidates only look at one side, thus restricting their marks due to not providing an awareness of competing arguments.

Question 2e

As with 1e, this was a levels-based question with 4 levels. Many candidates were able to provide a good understanding of interest rates but not all were able to provide a developed assessment regarding the impact on Kajak Kanu Klub.

Some candidates showed a lack of knowledge of this topic area and attempted to answer the question with guesswork. However, this approach did not result in achieving many marks. On occasion, candidates scored zero marks because they showed no understanding of interest rates, as referenced in the specification.

A general assertion that the Klub had a loan and therefore must pay back a lot of interest was less likely to progress through the levels as much as a more developed understanding. For example, that it may depend whether the Klub had a loan, the amount of any such loan and that the rate of interest had only increased a small amount.

Tip: As with 1e, the command word 'assess' will always require more depth and development of the concept and chains of reasoning compared to the command word 'discuss'. Any area of the specification can be targeted by any of the questions on this paper. It is therefore important to give sufficient teaching and learning time to all topics on the specification.

Section C

Question 3

This is the highest mark question on the paper, worth 20 marks and with 4 levels. However, although the understanding demonstrated by candidates was often reasonable, some candidates struggled to apply the extracts appropriately or provide balanced arguments. Rewriting the extracts to state the information provided to candidates in the first place, rather than answering the question, did not enable the candidate to progress through the levels.

Some candidates lacked understanding of short product lead-in times and so ignored that part of the question. Others presented a response showing just advantages and disadvantages of short product lead-in times and/or of quality management but failed to evaluate these in relation to giving Freewing a competitive advantage. These did not fully answer the question, meaning the response was unlikely to provide a strong match to the higher-level descriptors.

As is shown by the indicative content in the mark scheme, there were a variety of points that could be developed in answer to the question but merit was not restricted to these. However, examiners were looking for an awareness of quality management and short product lead-in times, as well as the effect(s) they may have on giving a competitive advantage, along with developed chains of reasoning. In addition, higher level attainment came from an awareness of competing arguments such as contrasting the two areas but also, by evaluating the likelihood of the effects analysed.

Tip: This is an 'evaluate' question meaning that ideas needed to be developed and presented with understanding of the significance of competing arguments. To achieve the top level, amongst other things detailed in the mark scheme, an effective conclusion is sought.

<u>Summary</u>

Candidates are offered the following advice and reminders:

- Questions 1a and 2a are worth two marks each and so will need two parts in the definition of the term to attain both marks. Examples are not rewarded.
- Be careful to read the whole of the question. Certain requirements are given which are not always acted upon by some candidates, e.g. only providing **one reason** in 'explain' questions.
- Candidates need to understand the requirements of the command words in the questions. This will allow them to access marks requiring each of the four assessment objectives.
- Quantitative Skills will be tested throughout the paper. These may be in the form of diagrams/graphs, calculations or using the data in the Extracts to provide the application in the questions.
- Application marks will not be awarded for simply repeating evidence in the extracts. The evidence needs to be **used** in the response.
- The command word 'Discuss' requires a two-sided argument in order to achieve full marks.
- There may be more answer space provided than you need to write your responses. This is also indicated on the front cover of the question paper.
- The specification for WBS12 states that questions may require students to draw on their knowledge from WBS11
- The use of relevant evidence is required throughout and this can be from the Extracts provided or, often, from candidates' own knowledge. The Extracts are there for a reason – so please use them!