Examiners' Report
Principal Examiner Feedback

January 2020

Pearson Edexcel International Advanced Level In Business (WBS13/01)

Paper 01 Business Decisions and Stratgey

Introduction

This was the first opportunity to sit the paper the new WBS13 paper and overall, candidates' performance showed a sound grasp of business concepts. Answers suggested that candidates, on the whole, had been prepared for this paper. There appeared to be use of business terminology throughout all sections of the paper.

The more able candidates demonstrated excellent application of their knowledge to the precise question set, whilst the less able candidates attempted questions from a 'common sense' approach rather than demonstrating any business concepts.

The examination paper required candidates to apply their understanding; more able candidates performed strongly, with clear development of points. Examination timing skills appeared to be very good.

Question 1a:

Many candidates were able to correctly calculate the gross profit margin figure of 69.43%. Some candidates did not give their answer to two decimal places or did not include the percentage sign. Correct answers which do not include the percentage sign can only achieve a maximum of 3 marks so it is essential the correct units are always used. It is advisable to show all workings including the formula. Marks can still be awarded for showing the correct gross profit margin formula and correct workings with an incorrect answer.

Question 1b:

This was marked using a points based mark scheme with Knowledge =1, Application =2, Analysis = 1. The Knowledge mark was awarded for the difficulty and **not** the definition of culture or brand identity. Many candidates did start their response with a definition which cannot be rewarded. Marks were awarded for a valid difficulty and most candidates focused on the impact on employees or customers but examiners also accepted references to difficulties in terms of cost, time and reduced brand recognition. Application marks were awarded for using the information from the extracts and many referred to how the logo had been changed and the length of time the logo had been used for. Some candidates only used one piece of application and this question requires two separate pieces of application. For the Analysis mark, examiners were looking for the consequence of changing the culture and brand identity in terms of the negative impact on sales, profits, labour turnover and employee motivation.

The New Marking Levels – a holistic approach

The new IAL specification has changed the marking descriptors for all levels-based questions. It is essential that centres look at these and understand how these are different to the legacy specification. The new levels based mark schemes are applied in a holistic way rather than looking for individual Assessment Objectives. This means that a candidate who attempts evaluation with some context will not necessarily be placed in the top levels and could only achieve level 2 if this evaluation is weak.

Question 1c:

This was the first of the new levels-based questions and examiners were looking for some use of the evidence to suggest that the change in the senior leadership had positively affected Burberry. Many candidates were able to talk at lengths about the impact of the leadership and how this has improved the share price and sales at Burberry. Unfortunately, many candidates simply copied large chunks of the information from the extracts rather than using it to support their argument. For the counter argument examiners were looking for some understanding that Burberry's success could have been due to other external factors rather than because of the personnel changes at the top. Many candidates ignored the command word 'Discuss' and only gave a one-sided response. A conclusion is not required for 8 mark questions.

Question 1d:

This is the first 12 mark Assess question on the examination paper and was marked with 4 levels. Examiners were looking for some sort of assessment as to how Burberry's technological presence in China might help it grow. Extract D did provide many examples which candidates could use to help contextualise their responses. Many candidates were able to show how the use of technology could help Burberry grow in China with the use of apps and Wechat. The counter argument was often lacking or non-existent. Some candidates considered the problems with using technology and others considered other PESTLE factors which might affect Burberry's success in China such as the political or economic influences. A conclusion/judgement is required for 12 mark question but was not often seen. Evaluation was poor and candidates must provide a balanced assessment and an awareness of competing arguments to access the higher levels.

Question 1e:

The second 12 mark Assess question was focused on the possible trade-off between being ethical and profits. Examiners were looking for some understanding that there could be a trade-off with profit by Burberry being ethical as they are no longer destroying unsold stock and are using more ethically sourced material which some customers might not prefer. Some candidates focused on why there might not be any trade-off or that the trade-off would be limited as customers are becoming more ethically aware and are willing to pay more for ethical products. Better responses considered potential trade-offs rather than just the advantages and disadvantages of being ethical. A conclusion was required for this question but was often lacking.

Question 2:

This question required candidates to carry out appropriate calculations in order to evaluate the two options available to Tata. To achieve full marks examiners were looking for 4 things:

1. Correct calculation of the decision tree/use of data from the tree
2. Evaluation of Dealership option
3. Evaluation of Relaunch option
4. Some sort of judgement as to which Tata should do.

Most candidates did carry some calculations or used the data in the decision tree to help evaluate the advantages and disadvantages of the two options and were able to come to a conclusion using either qualitative or quantitative (or both) as part of their evaluation. There

was no right answer in terms of which was the correct option for Tata and examiners were looking for quality of evaluation rather than the length of it. Better responses considered the accuracy of the data in the decision tree and what other factors Tata needed to be taken into account when making this important decision. A conclusion and judgement was required.

Question 3:

This question did not ask candidates to consider two options as in Question 2 but required a detailed evaluation of whether succession planning would reduce risk for a business such as Alibaba. Examiners were looking for the benefits of succession planning in terms of how or why this could reduce risk for Alibaba. Many candidates used the information in the extract to help contextualise their responses and were able to show how a change in leadership impacted upon the whole organisation and in particular the shareholders and employees. Examiners accepted any valid benefits and reasons why succession planning might reduce risk. For the counter argument, examiners were looking for why succession planning might not reduce risk and what other external factors such as the trade war between US/China added to the whole uncertainty for Alibaba. The question did state that candidates could apply to any business and the majority of candidates did apply to Alibaba although candidates who used other examples would have also been rewarded. Unfortunately, some candidates do not know what succession planning was so the quality of evaluation was significantly weaker compared to Question 2.

Summary

There are several points which could raise performance in future sittings. Based on their performance on this paper candidates are offered the following advice:

- Read the questions carefully in terms of the command words. It was clear that some candidates were not aware of the demands of the question or how to structure their responses.
- Quantitative Skills will be tested throughout the paper and these may be in the form of calculations, diagrams or using the data from the Extracts.
- For calculation questions, it is essential that the answer has the correct units or is to two decimal places (if specified).
- The 'Explain' questions will always have two application marks so ensure that there is enough context in the response to gain both marks.
- Discuss – this question requires both sides of an argument and is **not** one-sided. A conclusion is not required.
- The command words 'Assess and 'Evaluate' are evaluative command words so candidates must provide both sides of a business argument in order to achieve full marks with a supported conclusion.
- Use of relevant context is required throughout and this can be from the Extracts provided or using examples provided by the candidate themselves. The Extracts are there for a reason – so use them.
- Use business concepts rather than generic 'common sense' answers.
- Examination timings – make sure there is enough time to answer the 20 mark questions in Section B and Section C.