



Examiners' Report

Principal Examiner Feedback

October 2021

Pearson Edexcel International A Level

Business (WBS13 01)

General

Overall, candidates' performance showed a sound grasp of business concepts. Answers suggested that candidates, on the whole, had been well prepared for this paper. There appeared to be good use of business terminology throughout all sections of the paper.

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

The examination paper required candidates to apply their understanding; better candidates performed strongly, with clear development of points. Examination timing appeared to be very good with the majority of candidates completing the paper in the allocated time.

Report on individual questions

Question 1a

This was marked using a points based mark scheme with Knowledge =1, Application =2, Analysis = 1. The Knowledge mark was awarded for the way a shareholder of IAG might have been affected and **NOT** for the definition of key terms. This will always be the case for an 'Explain' question and many candidates keep starting their response with a definition which cannot be rewarded. Any valid way was rewarded such as increase in share price, dividends and return on investment.

Application marks were awarded for using the information from the Extracts. Some candidates only used one piece of Application and this question requires two separate pieces of Application. Many candidates simply stated 'profits have increased' and this was not enough to be awarded the Application marks. There had to be some use of the data from the charts to support this statement. For the Analysis mark, marks were awarded for shareholders could be affected by the data in the charts such as some shareholders might invest more into IAG since the returns on investment have increased so substantially.

Question 1b

Many candidates were able to correctly calculate the simple payback period for an Airbus A350-1000. Some candidates did include the correct units (years) so could only be awarded 3 marks. It is always advisable to show all workings including the formula. Marks can still be awarded even with an incorrect answer.

Marking Levels – a holistic approach

The IAL specification continues to use 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 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 (as would be the case for the legacy specification) and may only achieve Level 2 if the evaluation is weak. Far too many candidates are simply copying out large sections of the Extracts with an attempt at limited evaluation; this will only achieve lower levels.

Question 1c

This was the first levels-based question on the paper and marks were awarded for the discussions of the possible disadvantages for IAG taking over Air Europa. Many candidates were able to talk in detail about possible culture clashes, diseconomies of scale and the overall cost of the takeover. For the counter argument, marks were awarded for some understanding that these disadvantages might be short lived because IAG had experience of takeovers and the new routes could potentially offset any additional costs incurred. As in previous examination papers, 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. Marks were awarded for an assessment of the extent to which contingency planning might have reduced the risk of an IT failure for a business such as BA. Extract D did provide many examples which candidates could use to help contextualise their responses. Unfortunately, many candidates simply copied large chunks of the information from the Extracts rather than **using** it to support their argument. It was very evident that many candidates did not know what a contingency plan was and focused their response on the implications for BA from the IT failures. A conclusion/judgement is required for both 12 mark questions but is 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 likely strategic benefits for BA of reducing its environmental impact. Marks were awarded for some understanding about the benefits in terms of an improvement in reputation, revenue, profit, branding, customer loyalty and first mover advantage. Unfortunately, the counter argument was often lacking or non-existent in terms of the cost of aiming for net zero carbon and the impact this strategy might have on prices and return on investment. Again, a conclusion was required for this question but was often lacking.

Question 2

This question required a detailed evaluation of whether Microsoft Japan should permanently introduce a four-day working week to increase labour productivity. Unfortunately many candidates ignored the reference to whether Microsoft should permanently introduce this and focused just on the benefits, often just paraphrasing the information in the Extract. Better candidates considered the benefits of the four-day week in terms of costs, impact on profits, quality and recruitment. The counter argument was often centred on issues with employee workload, pressure, poor quality and the cost of subsidising holidays for so many employees. A conclusion and judgement was required but often this was just a repetition of earlier points made rather than making a judgement. Overall the performance and the quality of evaluation was significantly weaker compared to Question 3.

Question 3

This question required candidates to carry out an evaluation of Pandora's strategic decision to focus its core business on selling bracelets and charms. There was plenty in the Extracts that candidates could have used to support their evaluation both in terms of qualitative and quantitative data. Better responses used the data by calculating financial ratios or the used the raw data to see if profits were increasing or decreasing. For the counter argument, credit was given for an evaluation of reasons why Pandora should not focus on core products and perhaps look at the benefits of other jewellery products. The quality of the evaluation was the key to accessing the higher levels. Some of the better responses were much more selective in their approach, focusing on the depth of evaluation rather than breadth. Better candidates used the information in the Extracts to help contextualise responses rather than copy out large chunks. There was no 'correct answer' and many of the responses in Level 4 were able to provide an effective conclusion that suggested a solution and/or recommendation for Pandora.

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.
- Do not define the key term in the 'Explain' questions. The Knowledge mark is for the way, the reason, the impact or the aim.

- 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 however do not copy out large sections of the Extracts. For Application to be rewarded, it must be used and integrated into the response rather than separate.
- 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.