Examiners' Report
Principal Examiner Feedback

October 2024

Pearson Edexcel International Advanced Level
In Business (WBS13) Paper 01
Unit 3: Business decisions and strategy

Introduction

Overall, performance on this paper showed a good grasp of business concepts. Answers suggested that candidates 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 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: Calculation of current ratio
This was answered really well by the majority of candidates. However some of the students included x100 or trillion KRW in the final answer which was incorrect. Again, some candidates ignored the instruction to give the answer to 2 decimal places and therefore could only score 3 marks with a correct formula and correct workings. It is always advisable to show all workings including the correct formula.

Question 1b: Calculation of percentage change in demand
This has been poorly done with many incorrect responses seen. This question was synoptic and it was clear that for some candidates there were large gaps in knowledge and understanding for this part of the specification. The main problem was that candidates did not include the minus sign to show a reduction in price and as a result ended up with -6% rather than the correct answer of 6%. This was a common problem for many. Another issue was that candidates appeared to understand the formula for PED but were unable to rearrange the formula in order to calculate percentage change in demand.

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 used to mark responses. 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 and may only achieve Level 2 if the evaluation is weak. Far too many candidates are still simply copying out large sections of the Extracts with a limited attempt at evaluation; this will only achieve lower levels.

Question 1c: Increasing market share
This was the first levels-based question on the paper and marks were awarded for the discussions of the possible benefits to Samsumg of increasing its market share for smartphones. This was answered quite well with lots of reference to economies of scale and then counterbalancing it with diseconomies of scale. Some candidates went down the route of explaining how they would increase market share rather than the benefits of increasing market share. Candidates should be encouraged to read the question and make sure that they are fully answering it. As in previous examination papers, many candidates ignored the command word 'Discuss' and only gave a one-sided response so this limited the marks that could be awarded. A conclusion is not required for 8-mark questions.

Question 1d: Mission statements
This is the first 12 mark 'Assess' question on the examination paper and was marked with 4 levels. A wide range of responses were seen for this question with some very good answers with very good use of the extract. Examiners looked for chains of reasoning which used the context provided to support whether stakeholders were affected by Samsung's missions statement. Some candidates referred to just one stakeholder but many referred to multiple stakeholders and the impact that the mission statement is likely to have on them. A simple descriptive response was more likely to achieve level 1 or level 2 at best. The counter argument often lacked context in comparison to the main argument. A conclusion/judgement is required for 12 mark questions but was not often seen.

Question 1e: Changing culture
There were many different ways in which candidates approached this question and many were able to access the higher levels. Most candidates understood the idea of change and used the context in the extract to be able to address this. The main issue that prevented students from getting into level 3 or level 4 was their inability to be able to develop a chain of reasoning. Lots of candidates make points by using the extract but then fail to develop an argument about what the cause or consequences will be as a result. Candidates are very quick to move on to the next point without fully completing the argument on the previous point. Again, a conclusion was required for this question but was this often missing.

Question 2: Decision trees
It was clear that very many candidates did not know how to calculate the EMV as there was only a few responses that actually calculated this correctly and used it in order to evaluate the two options for growth. There were also a number of different approaches to this. Some evaluated the use of decision tree analysis as a tool whereas others evaluated the two options the businesses was faced with. Again some candidates are still just rewriting the information, for example, the cost of one versus the cost of another or the probability of one or the probability of another, without actually explaining the cause or consequence. As with previous series, largely descriptive responses are unlikely to access the higher levels. To access the higher levels, examiners rewarded developed chains of reasoning and the use of business theory/concepts rather than a 'common sense' evaluation. A conclusion was required but often was a repeat of earlier points.

Question 3: Competitive environment
This was answered better than question 2. There was lots of information in the extract that candidates could used in their answers. Those candidates that did well analysed the impact this was likely to have on Emirates market share, profitability and competitiveness. Again some candidates just rewrote all the information from the extract to say why Emirates would not lose out and then counterbalance with it why they might lose out. Candidates should be encourages to develop chains of reasoning for evidence that they use, using several strands of argument rather than superficial 'this will increase profits'. A conclusion or judgement was required as to whether they thought Emirates would be affected by the changes in the Middle Eastern airline market.

Paper 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).
• If there is an 'Explain' question it 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 benefit, 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/judgement.