Examiners' Report
Principal Examiner Feedback

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Pearson Edexcel GCSE
Business (1BS0)
Paper 2 Building a business

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Introduction:

This report provides feedback on 1BS02 'Building a business'. This is now the third sitting of the 'new' Edexcel qualification in GCSE Business. This report should be used by centres to provide teachers and candidates with guidance as to how to approach the various question types going forward. It could be used to fine-tune the approach candidates use to answer the questions in future examination series.

This year, the cohort was a small fraction of the normal entry. Therefore, it is likely that very limited conclusions can be drawn from the performance of candidates in this examination series. This needs to be taken into consideration when acting on the following comments and recommendations.

Question 1(c):

Candidates generally had a good understanding of what 'pressure groups' were and could articulate an impact on a business. Some candidates confused the term with 'focus groups' and unfortunately wrote an answer about market research. These candidates failed to score any marks.

Question 2(c):

A sizable proportion of candidates could not calculate net profit. Thus, these were easy marks lost. Centres are advised to ensure that their candidates learn the formulae in Appendix 3 of the specification. 10% of the available marks are awarded for quantitative skills, so there will always be 9 marks of questions that test quantitative understanding through 'Calculate…' or 'Identify…' questions.

Question 2(d):

This question was well answered, although at times candidates provided answers that appeared to be rehearsed around a generic benefit to a business, rather than being focused on a specific benefit relating to why aesthetics of a product may be important to a business. Examiners were instructed to award such answers 1 mark. Centres need to be wary of advising candidates to adopt this approach. E.g., 'Sales increase, therefore revenue increases. Therefore, profit increases', irrespective of what the question is actually asking.

Question 2(e):

Many candidates focused their answers on the drawbacks of 'product quality'. A small minority misread the question and gave answers that developed the benefits to a business of having a high-quality product. Examiners were again looking for something within a response that demonstrated an understanding of a drawback specifically to 'quality assurance' as opposed to 'quality control' or 'product quality' in general.

Question 3(c):

Some candidates struggled with this question and a minority had no idea what a 'post-sales' service was. Most correct answers focused on repeat custom and the enhanced brand resulting from customers feeling that they had the peace of mind in being able to return faulty products.

Question 3(d):

This was a much more open question and there were some good answers focused on reduced costs and the demotivation of the remaining employees. The main problem with responses to this question, tended to be repetition within the linked strands that build the response, especially for those candidates that went down the reduced costs route. E.g., 'Reduced costs because the workforce is smaller, because they will be paying less wages'. This response would only score 2 marks, because the first strand after the stated impact is a repeat of the question. As a result, several students failed to secure all 3 marks.

Question 3(e):

This question was reasonably well answered. Most candidates had a sound understanding of what just in time (JIT) stock control is. Answers tended to focus on the problems of deliveries not turning up or the inability for the business to cope with larger than expected orders. Some candidates made their responses less clear by insisting that the business would hold buffer stocks. When examiners are unsure as to whether a candidate fully understands a concept, the question is rooted in, the result will be a lower level judgement for 'AO1b' or 'Understanding'.

Question 4(a):

For a 2 mark 'Outline…' question, this was well-answered. Most candidates used the words 'car' or 'test drive' to demonstrate the all-important 'AO2' or 'Application' that allows a response to this style of question to be elevated to 2 marks. To score both marks there must be an impact/drawback/advantage etc, a strand of development and evidence of 'Application' or 'AO2' somewhere within the response.

Question 4(b):

There were some very good answers to this question and candidates appeared to find it accessible. The main problem was lack of 'Application' or 'AO2'. In 'Analyse…' questions this will result in a Level 0 for 'AO2' which limits a candidate's response to 3/6. The best answers used 'cars', and rivals within the market, such as 'Mercedes' as sources of potential 'Application' or 'AO2'. Centres should highlight to candidates the importance of using the extracts to ensure that their answers are contextualised.

Question 5(c):

A minority of candidates thought that globalisation involved the erection of trade barriers between countries and sadly scored zero marks. Most answers tended to focus on the larger market size and the opportunity to build a global brand. Again, lack of 'AO2' or 'Application' tended to spoil many decent answers, since without evidence of this skill, candidates are limiting themselves to a maximum of 3 marks on this style of question.

Question 6(a):

This question was a 'State…' question. Thus, it tests 'Application' or 'AO2'. To score a mark, candidates had to come up with an applied impact to *Tesla* of continuing to make a loss. Thus, 'go out of business' was given zero marks, whereas 'leave the car market' was awarded 1 mark. 'Borrow more money' was awarded zero marks, whereas 'borrow $976 million' was awarded 1 mark. Centres need to focus on the fact that any question that includes the italicised name of the business, in this case *Tesla*, from the extract requires an applied or contextualised response.

Question 6(c):

This question was the harder of the two 'Justify…' questions since it tested understanding of external sources of finance. Most candidates struggled to go past Level 1 or 2. This was due to lack of 'Application' or 'AO2' and/or lack of 'Evaluation' or 'AO3b'. Producing a one-sided or generic response limits a candidate's ability to score marks. Centres are reminded that candidates who consider the benefits of one option and then the drawbacks of the other, discarded, option are not demonstrating any 'Evaluation' or 'AO3b'. The drawbacks of the discarded option simply provide further support for the chosen option.

Equally, the drawbacks of one option and the drawbacks of the other, discarded, option are also deemed to only generate a one-sided response and will score Level 0 for 'Evaluation' or 'AO3b'. This is unless the candidate starts to make some form of comparison as to the relative significance or magnitude of the two drawbacks. This is tricky for most candidates to do at GCSE level. There are much easier approaches to generate 'Evaluation' or 'AO3b' in answering this style of question. For instance, candidates could choose one option and then develop the benefits and drawbacks to this chosen option before coming to an overall conclusion. To reach Level 3 for 'AO3b' or 'Evaluation', the conclusion should endeavour to bring new evaluative content to the answer through e.g., the consideration of how the impacts may differ between time-periods or through the use of the '…it depends rule'.

Question 7(a):

This question required candidates to simply state 'Price', 'Product', 'Place' or 'Promotion' to secure the mark. Note, how a generic approach is fine for 'Give…' questions since no 'AO2' or 'Application' is involved. Hence, there is no specific name of an italicised business contained within the question root.

Question 7(c):

This was an 'Outline…' question and was not answered as well as Question 4(a). Lack of 'Application' or 'AO2' was the problem, since without it, candidates limited themselves to only scoring one mark out of the two available. A simple mention of the word 'clothes' would have turned so many 1-mark answers into 2 mark responses.

Question 7(d):

This question has similar feedback to Question 6(c). Again, there appeared to be some approaches to this question which resulted in a lack of 'AO3b' or 'Evaluation'. Candidates considered the benefits of one option and then the benefits of the other, discarded, option. This will not generate any 'AO3b' or 'Evaluation' marks unless the candidate starts to consider the relative importance of the two benefits. Again, for a candidate of moderate ability, this is quite hard to do at GCSE level and there are far more straightforward ways of being able to demonstrate the skill of 'Evaluation' or 'AO3b'.

Question 7(e):

This is the only question on the exam paper that tests all four assessment objectives. Examiners are asked to decide on a level for each of the assessment objectives and then take a line of best fit. The question proved to be accessible to most candidates, although evaluation tended to be limited to Level 2. In most cases, where a conclusion was present, the conclusion tended to be just a summary of what the candidate had developed elsewhere within their response. The best candidates brought new evaluation into their conclusion and made use of the '…it depends rule'. A significant minority of candidates did not know what 'logistics' were and instead wrote an answer about the importance of producing a 'high-quality' product.

Paper Summary:

Based on the exemplars that have been seen by the Principal Examiner, centres and candidates are offered the following advice:

- Learn the formula in Appendix 3 on page 32 of the specification. 'Calculate…' and 'Identify...' questions account for 10% of the available marks on this paper

- Use 'linking words' in when answering 'Explain…' questions. This allows the examiner to see where the statement of the reason/advantage/way/impact ends and where analysis starts. It also allows the examiner to easily count how many strands of development there are in an answer. Good examples of linking words/phrases include 'because', 'thus', 'therefore' and 'as a result'

- 'State…' questions test 'Application' or 'AO2'. Therefore, a generic response will always score 0 marks

- In 'Justify…' questions, there is no need to consider both options. The drawbacks of the discarded option just provide further support for the chosen option. Therefore, candidates should consider this when writing their response. Equally, considering the drawbacks of both options or the benefits of both options does not automatically generate 'AO3b' or 'Evaluation'. These two approaches only generate evaluation when the magnitude or significance of the two drawbacks or benefits are considered

- Questions in Sections B and C test 'Application' or 'AO2', therefore candidates limit their scoring potential by writing a generic response that make no use of the case study provided at the start of the section. To highlight the need for 'Application' or 'AO2' the name of the business in the case study is italicised within each of the questions.