

Examiners' Report/  
Principal Examiner Feedback

October 2016

Pearson Edexcel International  
Advanced Level  
in Business (WBS01) Paper 01

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## **Introduction**

For this first series of October exams there were only a small number of entries. Nevertheless, the exam paper performed well allowing the better candidates to demonstrate some excellent knowledge and understanding. Unfortunately, there were also some very weak responses that showed little understanding of parts of the specification.

The main reasons for some otherwise able students underachieving are the usual ones of not heeding command words and not reading the questions carefully enough. Command words are still being ignored by a sizeable number. Instructions to 'Assess' and 'Evaluate' were not followed by some candidates. Some of the students missed out on marks because they did not answer the question that was set.

It is worth reminding future students of the need to apply context to all responses. Repeating generic or stock answers will not access the higher levels of the mark scheme.

## **Comments on Individual Questions**

### **Section A**

#### **Question 1a**

Generally correctly answered

#### **Question 1b**

Most candidates were able to give a good definition of fixed costs as those that vary with output, although a few referred to "short term costs" with no development. There was a tendency from some candidates to run all the distracters together, which should be discouraged as it is then difficult for them to gain marks.

#### **Question 2a**

Mostly correct, although a number chose option B - market sampling; or D - product orientation.

#### **Question 2b**

Definition of market positioning or market mapping proved challenging for many. Some also thought it referred to location. There was a tendency to write about "gap in the market" without stating how and why market positioning or market mapping would be used.

#### **Question 3a**

Most identified D correctly.

### **Question 3b**

Some good understanding of what a franchise is by most candidates, but few were able to give a coherent definition. Many candidates resorted to repeating stem of "uses existing brand name" so could not access that mark. Some candidates were very good on developing the advantages of a franchise.

### **Question 4a**

Mixed responses, though most gave correctly as A

### **Question 4b**

This was challenging for many candidates. There continues to be a need for candidates to learn the definition of exchange rate that is rewarded with marks, as in the mark scheme. Few candidates then went on to discuss the difference between the two currencies – Euro & Yen. Many generalised that all imports would be cheaper, but did not state that only the imports from a cheaper currency/region – the Euro here – would be cheaper, so did not access a mark.

On the distracters, most candidates understood the effect an increase in interest rates or unemployment would have on luxury goods, but few understood the effect of inflation.

### **Question 5a**

Probably only answered correctly by 50% of candidates. A & C being equally popular responses.

### **Question 5b**

Vague statements & a tendency to write about sampling/product trials, rather than free samples as a promotional tool. Also many just repeated part of the stem "encourage a purchase" without developing why or how. Distractors were mostly not well answered.

### **Question 6a**

Again, probably only 50% or fewer gave D as the correct answer, B being a popular incorrect choice.

### **Question 6b**

Those who answered 6a correctly generally gave a reasonable definition of ethical considerations. Few candidates understood that Primark did not own the factory, so the employees were not their own. As a result, few candidates seem to get beyond 1+1 marks.

## **Section B**

### **Question 7**

This question was usually answered reasonably well. Some candidates missed opportunities for full marks by only offering one motive and a few confused motives with characteristics.

### **Question 8a**

Mostly good responses, although there was still a tendency to offer only one advantage and the definition of market segmentation was too often inaccurate and did not identify the key defining concept of common characteristics.

### **Question 8b**

Responses to this question were very mixed. A significant number of candidates missed the important context of the required amount being reasonably small and therefore easier for her parents to raise and also her youth and lack of experience, meaning that Bella would be unlikely to be able to achieve such a loan through more formal external arrangements. Most students showed a clear understanding of the prospect of lack of interest charged or even the possibility that there would be no need to repay the loan at all or over a long period so knowledge marks were usually achieved.

### **Question 9a**

Very well answered by most students, including the recognition of the need to state % in the final number. A surprising number of students used gross profit in the formula rather than net or profit for the year and therefore entered incorrect data.

### **Question 9b**

This question was answered either well or very badly. Where students were clear in their understanding of a patent/trademark, the majority were able to achieve good analysis marks and usually some evaluative marks. However, there was widespread confusion regarding the knowledge of trademarks and patents, perhaps indicating an area that centres need to focus on.

### **Question 10**

Many students were able to clearly define non price factors of demand and gain the application and analysis marks. However, few students gained the higher L4 marks because their evaluation often lacked a conclusion.

Too often the attempt was not developed beyond being just an assertion. On some occasions attempts were made to measure the extent of the effect of the non-price factor of demand against the impact of price changes but this was not the question asked.

## **Question 11**

Many students responded well to this question with a clear understanding and analysis of how a range of stakeholders may be affected by the expansion. A significant number also achieved L4 by being able to explain how these stakeholders might also be adversely affected. Only a few were able to reach the very highest scores by offering a valid conclusion.

Some responses clearly identified the stakeholders but failed to link their analysis to the expansion of the business. Others offered analysis and evaluation of only one stakeholder which obviously limited their marks.

### **Based on their performance on this paper, candidates are offered the following advice:**

- Do read the question carefully and answer the question that is set
- Do watch out for command words such as Assess or Evaluate
- Do use examples to illustrate your argument
- Do use the language of the subject and avoid generalities
- Do watch your timing and do not spend too long on one question
- Do write concisely
- Do add a conclusion to the longer questions

## **Grade Boundaries**

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<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

