

Examiners' Report/  
Principal Examiner Feedback

October 2016

Pearson Edexcel International  
Advanced Level  
in Business (WBS02) Paper 01

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October 2016

Publications Code WBS02\_01\_1610\_ER

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## Introduction

This was the first sitting of the paper in October with a relatively small number of students. The paper was split into 2 sections: Section A had 6 supported multiple choice questions (SMC) and Section B had a total of 7 questions.

### SMC:

- Students can only access 3 marks for part (b) if they have part (a) correct
- Students are able to gain 1 Knowledge mark for a definition which are listed in the mark scheme for each question.
- Students are able to gain up to 2 marks for a fully explanation of the distracters (incorrect answers)
- Students **MUST** explain why their answer for part (a) is correct to be able to access all 3 marks for part (b) i.e. a definition and 2 distracters would still only be worth 2 marks if there is no explanation of why part (a) is correct.
- Students must explain **WHY** the distracters are incorrect.

### Question 1

This SMC question involved students having to explain what the product life cycle was and why Apple ceased the production of the iPod. Many students were able to get the correct answer for part (a). Examiners were looking for a definition of the product life cycle followed by any logical reason why the iPod is not going to be manufactured such as declining revenue and sales. Many students did only repeat their answer for part (a) and examiners needed to see further development in order to award additional marks. Some students unfortunately confused the product life cycle with the Boston Matrix so did not score any marks for part (b).

### Question 2

Many students were able to score full marks for part (a) so could access all 3 marks for part (b). Marks were awarded for showing all the stages of the calculation and many students were able to give the formula for sales variance as well as show how they arrived at their answer for part (a). Some students unfortunately gained the correct mark for part (a) but then gave the incorrect workings as they calculated Budgeted Sales – Actual Sales rather than the other way around. Students did not have to explain the result - just show the calculation.

### Question 3

This has proved to be a popular question with many students able to get part (a) correct. Many students were able to define democratic leadership for 1 mark. Examiners were looking for references to all employees being involved in decision-making rather than just asking for opinions. For the distracters, examiners were looking for these to be applied to the scenario in terms of setting targets rather than just giving a definition of autocratic. Students who lost marks were the ones who defined distracters rather than explaining why they were incorrect.

#### Question 4

Some students were able to score full marks for part (a) but many students did find this question more challenging. Examiners rewarded an accurate definition of design mix and were looking for references to it containing aesthetics, function and economic manufacture. Many students were just repeating the stem rather than explaining why economic manufacture was the most important element. Many students used distracters B or D to gain additional marks for part (b).

#### Question 5

Many students were able to get part (a) correct and gave detailed definitions of the term niche marketing. Examiners rewarded students who made references to why it could be considered to be niche – references to the fact that Nandos are targeting Muslim customers or customers who only eat halal chicken. Many students again simply defined the distracters rather than explaining why they were incorrect.

#### Question 6

Many students were able to get part (a) correct. Examiners rewarded definitions of either flexible or labour turnover. Examiners were looking for why employees are likely to remain at Potato – references to being valued/happier or more motivated. The distracters had to be fully explained and linked to the flexible working conditions rather than just stating they will be more motivated.

#### Section B

For the IAL Business course, there is an emphasis on **Application/Context**. Students must **use** the evidence rather than just lifting figures from the case study. Using the name of the company – Heck Foods in this case or context from the stem, is not considered to be **Application/Context**.

There must be **Application/Context** to access **Level 4** otherwise the top of **Level 3** will be awarded. If there is Analysis but no **Application/Context**, then the top of **Level 2** will be awarded. This has definitely had an impact on the levels achieved this series.

#### Question 7

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. It was pleasing to see that many students were able to either define flat organisational structure or give 2 benefits to Heck Foods of having this type of organisation structure. Some students did give generic answers which were not applied to Heck Foods so dropped the 2 Application marks. Some students just copied out large chunks of the evidence and for this to count as Application, it must be used in relation to the Knowledge and Analysis points. For Analysis, examiners were looking for the consequences of having the flat structure - linking to things such as increase motivation for employees, faster decision making resulting in responding to the market better.

### Question 8a

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Many students were able to give one reason why Heck Foods does not use recruitment agencies. Better students were able to link this cost savings and the type of workers they needed. Again, there were some great responses but with no context so this was restricted to 4 marks.

### Question 8b

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Many students were able to gain the 2 Knowledge marks from defining product portfolio as well as giving an example of a social trend such as healthy eating. Again, Application proved problematic for some students as they gave generic responses which could have applied to any business or they just copied out large chunks of the evidence. Analysis was well done with many students able to link to being able to cope with sudden increases in demand, maximising sales/profits and so they will not run out of stock.

### Question 9a

This question was marked using a points based question with 1 Knowledge mark, 1 Application mark and 2 Analysis marks. Many students were able to gain 1 Knowledge mark for giving an advantage of operating in a niche market. For this question, the Knowledge mark is **NOT** for defining the key term. However, many students gave generic responses so lost the 1 Application mark. Examiners were looking for references to premium sausages and Heck Food's famous heart shaped sausages. Many students were able to score at least 2 marks for this question.

### Question 9b

This was marked using a Levels of response mark scheme (LOR). Many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. It was evident that many students were able to understand why Heck Foods used labour intensive production methods and there was some good application in terms of being able to maintain the quality of the sausages. In order to access Level 4, there must be **evaluation in context** which was often missing and generic evaluations were restricted to the top of Level 3 – 6 marks. Often examiners found great context on the benefits of labour intensive production methods but then the alternative argument was not in context so restricted the mark to 7 rather than 8 marks.

## Question 10

This was marked using a Levels of response mark scheme (LOR). Again, many students were only able to enter Level 2 or 3 due to lack of Application and/or Evaluation. Context was the issue again on this question and many students were writing generic evaluations of the difficulties in sales forecasting which were not applied to Heck Foods so the top of Level 3 was awarded. Better answers were able to look at how Heck Foods could minimise the difficulties in sales forecasting. In order to access Level 4, there must be **evaluation in context**. Level 4 students were able to show that there was some historical data available and that Heck Foods had the financial backing of Panorama Growth Equity who could help them forecast future sales.

## Question 11

This was marked using a Levels of response mark scheme (LOR) with a large proportion of the marks for Analysis and Evaluation. This was poorly tackled by some students and there were answers which just defined contingency finance or gave a definition of working capital. Many students did not even attempt to answer this question at all and left it blank. As in question 9b and 10, there must be **evaluation in context to enter Level 4** and good examples included **using** the context from the different pieces of evidence to support the evaluation rather than just copying out the evidence.

## Summary

Based on their performance on this paper, students should:

- Ensure all SMC questions are completed for part (a) otherwise this will restrict part (b) marks to a maximum of 2 marks.
- Always define a key term (either from the stem of the question or in some cases, the correct answer).
- Fully explain the correct answer otherwise you will restrict your mark to 2 marks.
- Fully explain why the distracters (incorrect options) are incorrect and not just define them.
- Read the Evidence very carefully and ensure you spend enough time reading through the different pieces of Evidence.
- Ensure you know what is meant by the command words – Explain, Analyse, Assess and Evaluate require different skills to be shown.
- **USE** the Evidence to contextualise your response rather than just lifting data or saying the name of the business.
- Assess or Evaluate – this is looking at both sides and coming to a conclusion.
- In order to enter Level 4, your response must be in context.
- Ensure that your time management allows you to answer all questions on the paper, especially the Q11 which is worth 14 marks.

## **Grade Boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

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







