

Examiners' Report/
Principal Examiner Feedback

January 2014

Pearson Edexcel International
Advanced Level in Business Studies
(6BSA1) Paper 01 Developing New
Business Ideas

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International Advanced Level Business Studies (6BSA1)

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General comments

On the whole, students were not well prepared for this paper and failed to show sound approaches to answering both supported multiple choice questions in Section A and the structured questions found in Section B. Questions in both sections were designed to test knowledge and understanding, application, analysis and evaluation.

Students' performance on this paper generally showed a poor grasp of business / economics concepts and theory, together with a weak understanding of business behaviour. The more successful students were able to make effective use of the stems and data in Section A questions, as these provide a context so that students could explain their answers to part (b) of the questions. Likewise, students who wrote answers in context in Section B scored better than those who did not; this approach enabled access to higher marks for levels of response questions 11, 12 and 13a and 13b.

As in previous series for the 6BS01 specification, the more exposure students have to a variety of businesses as part of the teaching and learning, the more successful they are likely to be. This can be achieved through use of case studies, real business problem solving activities, company reports, newspapers, websites and educational visits/visitors from business in to centre.

Section A

Examiners expected to see that students at least offered a guess to part a) of these questions; this was not always done. As with previous papers, the ability of students to gain the three marks for 'explain your answer' (show your workings), distinguished better students, particularly for questions 1, 2, 4, and 6, which required students to explicitly apply their knowledge, analyse and/or evaluate. Most students were able to score at least 1 mark out of 3 for part b) in answers to questions 1 to 8 by giving appropriate definitions/descriptions/formulae to help them support their responses to part a), for example by describing what was meant by bank loan in answer to question 1.

Correct Responses to Part (a)

- 1 – A
- 2 – D
- 3 – C
- 4 – A
- 5 – C
- 6 – B
- 7 – D
- 8 – B

Section B

The case studies based on African Kitchen and Charles Dickens Museum appeared to be accessible to most students across the ability range. However, some students appeared to misinterpret questions. For example, for questions 13a and 13b a number of students explained why BOTH an increase and decrease in interest rates might affect the owners of African Kitchen and the visitors to the Charles Dickens Museum.

Specific comments

Question 1

A small number of students displayed a surprising lack of subject knowledge relating to bank loans. Confusion between loans and overdrafts was seen in a few responses; others thought that loans were a short-term method of finance. However, many students were able to achieve at least 2 of the 3 marks available for part (b).

Question 2

The majority of students understood the term resilience and some recognised it as one of the characteristics of an entrepreneur. Many were able to achieve at least 2 marks with a few correctly identifying distracter A as a motive rather than a characteristic.

Question 3

The responses to this question were, in the main, disappointing. Many were able to provide a reasonable definition of inflation but some failed to realise that the increase is an average across the economy. Some students correctly chose option C but only a few realised that the increase in the average price of petrol would affect transport costs. Attempts to explain the distracters were often incorrect with some misunderstanding; for example option B was referred to as the wages of the lower paid.

Question 4

The correct option was option A but a significant number of students chose option C (a lower break-even revenue level). However, some did realise that online games are a substitute for games bought in retail stores. Unfortunately, many failed to achieve any marks for this question.

Question 5

Most gained at least one or two marks but many failed to provide an explanation/definition of the term 'exchange rate'. Students need to be made aware that it is really important when dealing with different currencies that the relevant currency symbol is used in any calculation, in this case $\text{€}36.10/1.23 = \text{£}29.35$.

Question 6

Many correctly identified autocratic leadership style, however some of the weaker students chose democratic leadership it was important to get everyone's agreement before evacuating the premises. Some students thought that the employees were rioting and that the leadership style had been the cause.

Question 7

Generally a well answered questions, with many students showing correct calculations which were supported by a correct definition of either break-even or variable cost per unit. However, weaker students chose option B (the value of the contribution).

Question 8

Most achieved at least 2 marks by providing a definition of 'motivation' and explaining answer B by using the information provided in the context – 'unpaid volunteer'.

Section B

Question 9

Many were able to define/show understanding of 'added value' and used the case material to illustrate this. The more able explained in relation to at least one of the two enterprises.

Question 10

The majority of students realised that opportunity cost relates to an alternative foregone but only a very few expanded this by referring to choice between at least two options. Most responses were well applied.

Question 11

Many students were familiar with the concept of market mapping and were able to provide a one-sided analysis. However, some responses were merely 'textbook' answers, failing to relate to African Kitchen other than by name or by stating it is a restaurant. Few students achieved a Level 4 mark because they may not have recognised that assess means to provide a balanced (discussion) answer.

Question 12

The better able students were able to achieve Level 4 by providing a two-sided argument with some use of the case study. For example that since the Charles Dickens Museum (CDM) is a charity it is unlikely that its management would wish to seek profits as social welfare – in this case the education of the visitors - is more important. However, profits might be sought if the CDM management were looking to source funds for investment to extend or improve the premises/facilities at 48 Doughty Street. Many students achieved a mark at Level 3.

Question 13a

Some sound knowledge of the impact on business of a rise in interest rates, with many being able to apply to African Kitchen. A few students achieved Level 4 because several students chose to argue why both an increase and decrease in interest rates might affect the African Kitchen owners.

Question 13b

Some students failed to attempt this question at all. A significant number of students discussed in terms of the impact on the business rather than the impact on visitors to the CDM.

Recommendations

Based on their performance on this paper, students should:

1. Remember to answer all part (a) sections of Section A, even if it means guessing as this would at least give them a 25% chance of getting the answer right.
2. Use definitions or written formulae in part (b) of Section A since this often attracts a knowledge mark; the concept defined should normally be in the question or found in the correct response.

3. Remember to explain why one distracter is wrong in part (b) when the supported multi-choice question in Section A reads 'most likely' or 'least likely' because these questions are asking the student to make a judgement which they can very often strengthen by not only explaining the answer they chose in part (a) itself, but also one of the alternatives (distracters) dismissed.

4. Read the case study in Section B carefully – students are advised to spend 5 minutes reading this and, if necessary, highlighting key words or points which might enable them to answer the questions that follow.

5. Read questions carefully and attempt to answer the question actually set. On a number of occasions evidence has shown, particularly in Section B, that students can waste valuable time struggling with an answer to a question that was not on the paper or trying to gain marks through an 'all I know about approach' which rarely scores any marks.

6. Students should spend time to plan their answers to levels of response questions 11, 12 and 13a/b. These carry the most marks (8, 8 and 12, respectively) so writing a balanced answer can make all the difference to the awarded grade.

7. Students are advised to work on the basis of a '1 minute per 1 mark rule' given that this paper is for 75 minutes, with 70 marks and the recommended 5 minutes reading time for the case study.

Grade Boundaries

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

