

Examiners' Report/  
Principal Examiner Feedback

January 2014

Pearson Edexcel International  
Advanced Level in Business Studies  
(WBS03) Paper 01 Strategic Business  
Decisions

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# International Advanced Level Business Studies (WBS03) January 2014

## General comments

This paper followed the style, format and structure established in the published sample assessment material, with the same Assessment Objective (AO) and Mark Band (MB) weightings.

Examiner reports are a valuable resource for helping prepare students for external assessment, as they contain lots of general advice that is still relevant and likely to be useful for staff and students in preparation for future papers. This report should be read in together with the examination paper and the Mark Scheme for this paper.

My own observations, supported by reports from all examiners who worked on this paper, will sometimes repeat problems or advice that have been raised in reports on other papers. However, any repetition is because these issues continue to reappear in papers and have not been resolved or even show signs of improvement. Based on the work seen from students in January 2014 the main issues are as follows:

## Preparedness.

Teaching and study of this unit started in September 2013, which means that students taking the paper in January 2014 can have only had 4 months in which to study the content of the unit, learn, and prepare for the external assessment.

As outlined in the Specification: *'These International Advanced Level qualifications in Business Studies require students to:*

- investigate different types of businesses that develop and sell products and/or services in a local, national or international marketplace. At IA2 level, students will study the ways in which companies make decisions, and grow and operate in the global market place*
- be able to analyse numerical information and understand how it assists the decision-making process of a business*
- understand how a business is managed, how its performance is analysed and how it could trade internationally.'*

Specifically: *'this unit (Unit 3) develops the content of Unit 2, which is designated at IA2 standard.'*

How this could have all been achieved in 4 months is not known. Judging by the standard of work from most students, which exhibited gaps in knowledge of specific business terms, a tendency for generalisation, a lack of application in most of the responses, and little depth of assessment or evaluation, it would suggest that most students were not prepared sufficiently for the external assessment.

The situation could be reversed in future examination series, to the benefit of students, if sufficient time is given to covering the content of the Specification, and applying the learning to 'real life' case study examples from the business world.

### **Rewriting question**

Whilst it would appear that some students find it a good way to lead their thoughts into an answer, students should be reminded that simply rewriting a question is not usually sufficient to gain marks. The question asked needs to be answered.

### **Not answering question**

Some students will pick a word or topic from within the question, and then write all they know about that particular word or topic – rather than answering the question asked. This could be a way of demonstrating general business knowledge, but students need to understand that marks are only given for an answer that addresses the specific question asked.

Linked to this is a tendency for weaker students to throw into their answer general expressions such as '...increase profit...', '...grow market share...', '...sell more...' etc. Again, students should be made aware that such general terms are unlikely to result in marks unless they are related directly to an answer to the question asked.

### **Specific comments**

#### **Section A**

#### **Questions 1a and 1b**

Both questions ask for a straightforward demonstration of subject knowledge: 1a. 'What is meant by the term 'conglomerate'? Most answers were very general; answers needed to reference that a conglomerate will be formed from a diverse range of businesses; they are not just a large business.

1b. 'what is meant by the term 'takeover'? Most students gave a simplistic, one sentence, definition; to gain full marks, answers need to include reference to a change in control, post takeover, not just noting the ownership of more than 50% of shares.

## **Question 2**

The stem of this question gives a simple definition of 'sustainability'. The question asks students to explain one possible reason why Tata Group's long term strategy is focused on sustainability. Many answers did not answer the question, tending to expand on knowledge of 'sustainability' rather than giving reasons why this would be a long term strategy. Few answers gave a reason. Answers should be based on the core of the question, 'why Tata's long term strategy is focused on sustainability' rather than expanding on definitions of these or related terms.

## **Question 3**

Most answers did not really answer the question, tending to expand on defining what is meant by 'corporate culture' rather than analysing why the business places importance on the right corporate culture when considering a takeover. Students should be answering the question, rather than expanding what is meant by 'corporate culture'. Analysing why the business places importance on the right corporate culture when considering a takeover, rather than explain what is meant by a takeover would have produced better marks. Also, marks could have been boosted by showing some application of knowledge, by contextualising answers based on the extensive examples that were provided in the given evidence.

## **Question 4**

Students were asked to assess the potential conflict between Tata Group's commitment to social responsibility and other business objectives. Again, many answers were just an expanded definition of the key term in this question 'commitment to social responsibility' rather than identifying or assessing any potential conflict. This approach limited students' potential for marks as the question requires more than just a demonstration of basic knowledge of business terms. Better marks could have been achieved if students had given context to their answers and applied any analysis to the Tata Group, based on available evidence.

## **Question 5**

Asked to assess the benefits of inorganic growth to the Tata Group, many answers concentrated on developing a definition of 'inorganic growth', rather than explaining and assessing the benefits of inorganic growth to the Tata Group; this approach limited marks. Students could have improved their mark if they had applied a context to any analysis or assessment that they may have given.

## **Section B**

### **Question 6**

Students were presented with further evidence, including financial documents which contained a substantial amount of data. Using available evidence, students were asked to evaluate the usefulness of ratio analysis from 2012 to 2013 to Tata Steel when formulating strategy. Faced with this question, many students demonstrated their knowledge of financial ratios by producing pages of calculations; this showed that they had the skill to perform such calculations, but few students then used the calculations, the ratio analysis that they had produced, to draw any conclusions. A mechanistic reworking of the figures limited marks and students could have boosted their score if they had just explained what the figures meant, in the context of Tata Steel. Even more marks could have been achieved had students then applied the use of ratio analysis to explain how the figures could have been used by the business to formulate strategy. At this level, basic knowledge is not sufficient to achieve high marks – students need to know how to apply their knowledge, through analysis and evaluation.

### **Question 7**

Question asked students to evaluate the likely impact external influences may have on Tata Group's strategy. This question produced some long and well written answers that were little more than an expansion on the various elements of PESTEL analysis, with little or no reference to the question asked or to Tata. To gain good marks, answers should have good application of the likely impact of external influences on Tata Group's strategy, with some application to the business and available evidence, plus there should be some analysis and evaluation. This is another example of where students could have achieved better marks if they had answered the question through analysis and evaluation, in context, rather than just sticking with basic definition of terms.

## **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>

