

Examiners' Report/
Principal Examiner Feedback

January 2014

Pearson Edexcel International
Advanced Level in Business Studies
(WBS02) Paper 01 Business
Structures and Processes

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

January 2014

Publications Code IA037610

All the material in this publication is copyright

© Pearson Education Ltd 2014

International Advanced Level Business Studies (WBS02) January 2014

General comments

This was the first sitting of the new IAL Business with a 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.

Specific comments

Question 1

This SMC question involved a calculation requiring students to demonstrate and apply the PED formula. In order to score the full three marks for part (b), students had to show the correct PED formula or a definition of PED. This would gain a students 1 Knowledge mark. The application marks were available for showing how part (a) was arrived at. The vast majority of students were able to score the full 4 marks for this question which was very pleasing.

Question 2

This question was very well answered for part a with the majority of students able to again the mark for part (a). We were looking for an accurate definition of TQM – where ‘all employees are involved’ rather than a vague description of what was meant by ‘quality’. We were looking for the link between TQM, repeat purchases and customer satisfaction rather than just repeating the answer for part (a). Many students were unable to fully explain **WHY** the distracters were incorrect – there must be a full explanation in order to again distracter marks.

Question 3

Many students are able to achieve a definition mark for what was meant by a 'cash cow'. We did see many students just repeating their answer from part (a) as to why a cash cow was important rather than giving a reason why revenue from a cash cow is important for Coca Cola. Many students were able to explain why distracter C was incorrect in terms of this being a 'star' rather than a 'cash cow'.

Question 4

It was pleasing to see many students able to correctly answer part (a) and give a precise definition of design mix. In order to gain full marks for part (b) students had to explain why aesthetics would be important to Jean Paul Gaultier for his clothing. Some students used the context to help support their explanations which was very pleasing indeed.

Question 5

Many students were unable to get part (a) correct so this restricted their marks to 2 marks for part (b). Even with an incorrect answer for part (a), many students did gain a definition mark for 'span of control' and then did also gain an additional mark for a full explanation of one of the distracters. Some students combined distracters B and D together so could only gain 1 mark – students must give 2 separate explanations in order to gain 2 marks.

Question 6

Many students were able to get part (a) correct and then fully explain why specialist magazines were the most appropriate in terms of the target market for niche holiday business. We did award 1 mark for explaining that TV advertising was more suitable for mass marketing.

Section B

For the new IAL Business course, we have 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 – Ryanair 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. Students were rewarded for one or more social trends as the question asks **how** rather than specifying a number of reasons. This question asked how current social trends affected the marketing mix of Ryanair rather than a discussion on lowering prices or what was meant by the marketing mix. Many students did not answer the question from the point of view of 'current social trends' and limited their marks because of this. Many students were able to gain 1 Knowledge mark for a definition of Marketing Mix. There were some very pleasing responses from students who used the case study in terms of Ryanair's environmental policies and the rising concern for the environment and CO2 emissions.

Question 8a

This question was marked using a points based question with 2 Knowledge marks, 2 Application marks and 2 Analysis marks. Financial incentives are additional financial rewards on top of salary/share options so many students scored lower on this question because of this. We rewarded an understanding of financial payments and examples such as bonuses for the Knowledge marks. Students were able to gain the Application marks if they used Evidence B to show that Ryanair reward employees by 'the more you do the more you get paid'. Analysis marks were gained if students showed a link to employee productivity/working harder from the success use of the financial incentives such as profit share and performance related pay.

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 the formula of capacity utilisation or stating 2 ways to improve capacity utilisation. The main ways students suggested to improve capacity utilisation were to lower prices, increase promotion and removal of routes which were not full. Analysis marks were then gained if the consequence of these strategies, such as lowering prices, might lead to more people buying tickets and therefore filling up the aircraft. Many students did not gain the Application marks because they simply stated 'Ryanair has 189 seats and a capacity utilisation of 82%' and are not **using** the evidence to show how capacity can be increased.

Question 9a

This question was marked using a points based question with 1 Knowledge mark, 1 Application mark and 2 Analysis marks. This question was answered well with many students able to get the 1 Knowledge mark for a definition of brand and then were able to show Analysis in terms of decreasing sales or revenue – this could gain 2 separate Analysis marks. Some students did write generic responses and responses must be applied to Ryanair. Better answers used the evidence about 'money grabbing' to gain the Application mark.

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.

Some students were able to evaluate the use of budgeting but these responses were generic with no application to Ryanair so were therefore restricted to the top of Level 3. Similarly, some students did not evaluate and gave a one sided answer (usually the benefits of budgeting) but again, without context to Ryanair so were restricted to the top of Level 2.

In order to access Level 4, there must be **evaluation in context**.

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 sales forecasting which were not applied to Ryanair so the top of Level 3 was awarded.

In order to access Level 4, there must be **evaluation in context**.

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 and there were many blank answers or lists of recruitment methods. If there was a list of recruitment methods with no context then marks were restricted to Level 1 (2 marks).

Students could access the range of marks for evaluation for evaluating internal only, external only or a combination of both methods – most students did write about both internal and external methods of recruitment as this was worth 14 marks. As in question 9b and 10, there must be **evaluation in context to enter Level 4** and good examples included job titles such as pilots and cabin crew. To access the top evaluation marks, we were looking for an understanding that the type of recruitment method used will depend on a range of factors such as the type of job – a pilot will be recruited in a very different way to someone working in on the check in desk. There had to be real perceptiveness to access the higher evaluation marks.

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.
- 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>

