

# Examiners' Report/ Principal Examiner Feedback

January 2016

Pearson Edexcel IAL in Business  
(WBS03) Paper 01

Strategic Business Decisions

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## **Introduction**

This paper followed the style, format and structure established in the published sample assessment material and previous live papers, 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 2016 the main issues are as follows:

## **Preparedness**

Students sitting this paper in January 2015 may be in the second year of a two-year teaching and study period which started in September 2014, but this still means that their work for this A2 level paper can have only started in September 2015.

Students may have used sample assessment material, plus the past papers, mark scheme, and PE reports from previous Series, although judging from some of the work seen, some students may not have had this exposure to these resources.

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.'

This sets the standard required for this unit, but it was evident from some of the answers and papers that some students were not fully prepared, showing gaps in knowledge of specific business terms, a tendency for generalisation. Many students used a formulaic approach to answering questions, lacking application to the evidence and scenarios used to frame the questions, which resulted in little depth of assessment or evaluation. Together, all of these observations suggest that some students were not prepared sufficiently for this external assessment. It is important to make sure that students entered are in fact ready for the exam - in terms of subject knowledge and how to approach the actual exam.

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, rather than being taught to write structured answers to a set formula.

On a more general point, teachers need to remember that this is a Business Studies paper - it is not within the Economics specification, and although it may help some students to be familiar with the principles of economics, it would serve them better to be more aware of the world of business and how businesses work in practice.

### **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. Rewriting the question or information given in the evidence will not produce marks unless it is being used in context, to support a statement being made in the answer. 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 knowledge of general business terminology, but students need to understand that marks are only given for an answer that addresses the specific question asked. Students need to focus on the question asked, and answer it, rather than just writing about something referred to in the question which they may know about.

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. Just writing '...which means or which will lead...to more sales and more profit...' at the end of an answer will not lead to more marks.

### **Overwriting**

Quantity does not necessarily equate to quality nor higher marks. Some students appear to think that if they fill the space in the answer booklet, plus several extra pages, then they will get higher marks - this is rarely the case. Often the sense of what the candidate is writing gets lost in the words which just fill the pages. As markers, we read every word to see if there are any marks within the text, but sometimes marks can be difficult to see if they are hidden within long general descriptions. The space provided in the answer booklet is planned to match the marks available and consequently the amount of writing that students should produce, any more and they are usually wasting time in the exam. As students move from education and into the world of business they will soon learn that a concise analysis or report is much more useful than a long and rambling piece of writing.

### **The paper**

The theme of this paper was based on the international retail organisation Tesco, based in the UK but trading internationally. Although focussed on one particular sector, evidence was provided to students which outlined the business, its recent background plus its aims and objectives; as such, this case study does not appear to have caused any problems for students. All questions should have been accessible to students of all grades, and, in practice, most students attempted all questions.

## **Section A**

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

Despite the apparent simplicity of these questions, some students gave weak answers which were no more than vague generalisations, rather than the more precise answers which are expected at this level.

1a) asked What is meant by the term customer demand?

Simplistic or general answers given by students would only be given 1 mark. To gain the second mark, students would have needed to develop their answer or give a realistic example - not just copy from the evidence provided.

1b) asked what is meant by the term employees?

Many answers were only given 1 mark as they were just too vague and general, with no development; to get the second mark the candidate should have shown some development of their knowledge/understanding, such as noting that employees would be paid. Mirror answers eg 'employees are people who are employed', were not given a mark.

### **Question 2**

A lot of answers seemed to be written to a format, possibly a result of rote learning as an exam preparation technique, whereby the answer always started with a definition of what the candidate thought was the main topic of the question. This approach did not work for this question because the knowledge/understanding marks were not given for a generic definition of 'customer loyalty', but only in answer to the actual question which was to explain why customer loyalty is likely to be important to Tesco. Overall, answers tended to be relatively basic, limiting marks, with many students seemingly unable to apply their knowledge to answer the 'why' of the question. To score higher marks, students will have needed to go beyond a basic definition, and actually answer the question - focussing on the 'why' rather than the strategy itself. The inclusion of some analysis will have increased the mark. As in Q1a and Q1b, 'Mirror answers' e.g. 'Customer loyalty is the loyalty from customers' was not given a mark - this is not the level of response that is expected for this unit. Some students gave answers which made generic statements about supermarkets or Tesco, and whilst not being incorrect statements they did not actually answer the question.

### **Question 3**

Some students started their answer with a generic definition of 'corporate objectives', often spinning into long explanation of the different objectives a business might have. Others gave mirror answers eg 'corporate objectives are the objectives of the business' which is just not good enough and will not produce any marks. There are no marks available for definition in this question - the knowledge marks are for identifying the two different corporate objectives from the list in Evidence D. Many students simply picked one of the news stories from Evidence D, defined it as an objective, then just wrote about the pros and cons of the particular example that they had selected. This was not answering the question, and no matter how good the analysis, it would not have earned the candidate any marks for their time and effort. Please remind students to read the question fully, and consider just what they need to answer, before they start writing. A number of students drew conclusions on the rights and wrongs of the various initiatives listed, and started to give an opinion or evaluation. There are no evaluation marks for this question, and the fact that so many answers included an attempt at evaluation is another example of how students are being drilled to answer questions in a formulaic way, which always ends with an evaluation; another example of students spending time on writing something that will not earn them marks.

#### **Question 4**

This is another question where weaker students wrote all they knew about the subject that they identified within the question - investment per se - rather than 'investment appraisal techniques' which is the focus of the question. There were no marks for this, no matter how good the written description of 'investment' - the candidate must stay on topic to score marks. Based on the very weak, generic answers given by many students, there was little evidence to show that some students know anything about the subject, and if they do it tends to be theoretical, which the candidate could not relate it to the real life case study in the paper. It is all very well learning the theories and definitions off by heart, but this is a business paper and students need to be able to apply these theories to real life business examples.

#### **Question 5**

Some students missed the point of the question and wrote a whole page defining and redefining what is meant by 'corporate culture' and did not develop their answer or provide an assessment of the extent to which Tesco's corporate culture can have an impact on all of its employees ie students missed the point of the question. Students needed to address the issue of corporate culture in respect of a large international workforce to move up to L3 or L4. Many students just focussed on the potential for a culture clash, then just wrote about the negative aspects of this, ignoring the positive aspects of a corporate culture. Students missed the communication aspect of question/scenario and the difficulty of communicating to 530,000 employees, consequently missing marks.

## **Section B: Essay questions**

### **Question 6**

Disappointing to note that many students could not do the simple calculations required, and did not know how to label figures. Even students who handled the figures correctly, often converted the financial product to a % mislabelling the measure of labour productivity. Some basic analysis may have been correct, but was very generic, and needed to be more applied to the Tesco figures and their business situation to move up the levels and score more marks.

As seen in previous Series, some students just produced a page of calculations, irrespective of their relevance, and with little to no assessment, and merely commented that the figure for one year was higher or lower than the other year. Although students did not have the evidence to explain why such changes may have occurred, wild speculation is no substitute for considered commentary on the figures produced. To move into higher levels and consequently higher marks, students not only need to have carried out calculations but should be analysing their results and evaluation what this means for the business.

### **Question 7**

Lots of answers consisted on simply copying text from the evidence, some attempting to explain or justify statements made in the evidence that has been copied. Many answers lacked precision in the use of business terms, confusing 'joint ventures' with 'mergers' and using the terms interchangeably. To score good marks for this question students need to have a good deal of evaluation, presenting the problems that could befall the business that enters into a joint venture, as well as analysing the benefits.



