

Principal Examiner Feedback

June 2014

Pearson Edexcel
International Advanced Level (IAL)
Economics (WBS03) Paper 01
Strategic Business Decisions

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International Advanced Level Business Studies (WBS03) June 2014

General comments

This paper followed the style, format and structure established in the published sample assessment material and the January 2014 paper, 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 June 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 June 2014 will have had a full academic year 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.'*

Given that teaching for this qualification only started in September 2013 it is difficult to understand how students could have covered the two IAS units and this IAL unit in just 10 months. This may have accounted for the standard of work from some students, which exhibited gaps in knowledge of specific business terms, a tendency for generalisation and a general formulaic approach to answering questions, a lack of application in many of the responses, and little depth of assessment or evaluation, suggesting that some students were not prepared sufficiently for this 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, rather than being taught to write to a formula.

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.

Overwriting

Students need to understand that more writing does not necessarily lead to more marks, as it tends to dilute their demonstration of knowledge or analysis and make it much more difficult for markers to find marks within the text. More words don't mean more marks.

The paper

The theme of this paper was the acquisition of Cadbury by Kraft Foods Inc in 2010, and the subsequent division of Kraft Foods into Mondelez International and the Kraft Food Group in 2012. None of the questions needed specialist subject knowledge, and the subject 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

Both questions ask for a straightforward demonstration of subject knowledge: 1a. 'What is meant by the term 'brand'? Most answers were vague or general, lacking the precision understanding required at IAL2 level; marks were only being given for a precise definition and supporting description or a good example of a brand which shows that student knows what they are writing about.

1b. 'what is meant by the term 'mergers'? Again, vague answers, some students using merger and takeover interchangeably – many answers lacking the precision required at this level.

Question 2

Question asked students to explain how Kraft's management team could have used a strengths, weaknesses, opportunities and threats (SWOT) analysis of Cadbury before deciding to take it over. Question produced weak general answers: most students have the knowledge/understanding of SWOT, for basic marks, but to gain more marks students needed to explain how a SWOT analysis is applied, and how SWOT could have been used by Kraft to analyse Cadbury before the takeover. Most answers were not really answering the question, tending to expand on defining SWOT rather than explaining how a SWOT analysis could have been used.

Question 3

Students needed to analyse why the takeover of *Cadbury* might have led to a 'culture clash'. This question produced lots of basic 'definition' type answers – students expanding on terms used in the question, principally 'takeover' and 'culture clash' – at this level marks are not given for basic definition, students must answer the question to get the marks ie to analyse using reasons/causes/consequences/costs of why the takeover of Cadbury might have led to a 'culture clash'.

Question 4

Students were asked to assess the extent to which the takeover of Cadbury has contributed to Kraft's growth in the UK, based on the evidence provided. Based on student responses, some were spending time defining the terms used in the question rather than getting on and answering the question as asked; at this level, no marks are being given for basic definition of terms, although the writing out of a definition may help a student focus thoughts before going on to answering the question. Most of the definitions given, and therefore an indication of students' thinking, focussed on 'the takeover' rather than 'Kraft's growth in the UK' which was the main point of this question. Having missed this point, students tended to rewrite data from evidence without much analysis – as noted previously, simply rewriting evidence is no indication of knowledge, understanding or any other measure which will produce marks in an answer.

Question 5

Rather than assessing the impact on Kraft of the loss of senior Cadbury executives, a lot of students simply restated the evidence, rather than answering the question. Such answers may look plausible, but just repeating what they have been given, in short sentences, is a tactic that will not produce marks. Analysis must be original and in context, the student must give reasons/causes/costs/consequences for the senior executives leaving the business. There were a lot of well written but general answers about senior executives and their relationship with the workforce, without any evaluation of why they may have left the business. For their evaluation students should have balanced their answer by showing possible advantages and disadvantages of the loss of senior Cadbury executives from Kraft.

Section B: Essay questions

Question 6

Having been provided with additional evidence, students were asked to Evaluate Kraft's strategic decision to divide its business into two separate companies. Again, in response to this question many students simply reworded and re-presented the evidence. Some answers included a lot of personal opinion, but without any real analysis or evaluation. Students should be advised that generic answers, with the student writing about the fact of the division into two separate companies, rather than the reasons/advantages/disadvantages of the split, will not move them into the higher level marks. In general, students tended to produce lots of narrative, some analysis but there was not much evaluation going on. Analysis in context needed to be present, ie the student must give reasons/causes/costs/consequences of splitting the business. Evaluation must be present and in context, stating the extent to which the strategic decision to split their business was right or wrong, bringing some benefit or not, for Kraft.

Question 7

In this final question, students were asked to assess the accuracy of the claim by Mondelēz that it has a 'unique competitive advantage'. Many students expanded on the given evidence – defining and rewriting – but not answering the question. Students were copying out evidence and just stating how wonderful they (Mondelēz own claims) were. Some students just gave personal comments on the claims made in evidence F, not answering the question. Others just defined 'competitive advantages'. Few students actually reached the point of evaluating the claim made by Mondelēz.

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>

