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## Examiners' Report June 2010

### GCE Business Studies (6BS02) Paper 01

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June 2010

Publications Code US023571

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## PE Report on Examination Paper 6BS02/01

### General Comments

Candidate performance followed the upward trend observed in January 2010. This suggests that centres are preparing candidates more effectively. In particular, there was evidence that candidates had been better prepared to answer Section A questions where it was clear that many were familiar with two different approaches to gaining marks. The noticeable improvement to responses in Section B was that candidates fared better on Q13 - not only did more students complete the paper, but the level of understanding shown was significantly improved. This led to a much higher average mark on this particular question.

Further improvement is possible, particularly on Section A, if candidates do not dismiss the three distracter items with a single bland comment, but instead attempt to give developed, separate reasons for eliminating at least one. Centres are reminded that it is always possible to score 3 marks on part (b) of Section A questions by explaining carefully why the chosen item is correct. A knowledge mark can be picked up by defining/explaining key terms from the question stem, but it is not generally advisable to choose a familiar concept from anywhere within the question and hope to be rewarded for this if it is not appropriate to the question.

As implied above, most candidates completed the paper, and the standard of written answers improved to show good use of business concepts. It was pleasing to see accurate, detailed responses with fewer candidates developing a scattergun approach to answers.

### Comments on Individual Questions

#### Section A

##### Question 1

Candidates who adopted a business-like approach to this question realised that record sales figures could be down to a number of reasons and many correctly linked the price of 99p to psychological pricing. Confident candidates handled price elasticity well, recognising that increased prices would lead to a fall in demand if the demand for beer was price elastic. The most common route to 3 marks on part (b) was by a combination of explaining why B was correct together with explanations as to why A and/or D were incorrect.

##### Question 2

Many candidates started by defining liquidation, which is a good approach to take if the explanation of the concept is sound. Unfortunately, this was not always the case. The majority of candidates gave the correct answer to this question but their explanation was not particularly supportive. Centres should encourage their candidates to seek separate explanations as to why a distracter is incorrect, instead of explaining them together.

### Question 3

It is noticeable how many candidates are aware of ethical trading issues and this helped candidates to, more often than not, select the correct response and to gain at least one mark on part (b). Those candidates, secure in their knowledge of this area, confidently wrote of using environmentally friendly products as USPs, for example.

Many candidates secured a further mark by explaining that increased costs of labour is likely to be detrimental to making profits (D).

### Question 4

Whereas the majority of candidates chose the correct answer (D), the explanation of this choice was too simplistic on many occasions. When candidates commented on 40% sales growth and linked this to a possible lack of online competition, then marks were more readily available, but to state simply that competition is not good for growth (as option D implies) does not gain many marks. Similarly students who chose to state that the other 3 options helped growth without saying why were unlikely to pick up further marks.

### Question 5

A mark was available on this question for correctly identifying the correct components of the marketing mix. Unfortunately, this did not provide an easy mark for many candidates, some believing that the four items on offer constituted the four elements whilst others did not take time to explain the concept at all. Candidates who realised that growth had been achieved, despite relatively high prices, were rewarded for linking this to the product and its perceived quality aspects.

### Question 6

Some candidates were extremely well versed on 'piecework', explaining the concept confidently; pointing out that it is most likely to be used in a manufacturing setting and adding that it was appropriate when output was more easily measurable. Of the six multiple choice questions on this paper, more marks were awarded on this question for positive aspects of the correct choice than to any of the others. Some candidates were also able to argue why options A and B were not suitable responses.

## Section B

### General

The use of a firm in the manufacturing sector did not seem to faze many candidates and information provided was often well used. The main disappointing aspect was the misinterpretation by a significant minority of students of the wording 'bringing in small groups of overseas workers at busy times'. Some candidates interpreted this as 'taking the work to the workers' despite further information that the firm was manufacturing significantly more of its product in the UK.

### Question 7

Candidates who dealt confidently with the key term 'lead times', were able to score well on this question, quickly linking their answer to aspects of savings on costs. Some students were unable to gain the full quota of marks as, despite associating aspects of shorter lead times to stock holdings (for example) did not go on to explain the effects on costs, despite this being a key requirement. Candidates are advised to read questions carefully.

### Question 8

Most candidates could give examples of lean production and many linked them to Buoyant Upholstery. Where the contextual knowledge was linked to a plausible definition, coupled to a feasible explanation of less waste equating to improved company image, full marks were usually awarded. It was pleasing to see business aspirations and environmental considerations being carefully explored.

### Question 9

Whilst this question challenged a number of candidates, there were examples of excellent understanding across a range of candidates and centres. Most common was the realisation that without cash to pay for everyday expenses, businesses would find it difficult to survive. The more impressive responses commented that past profit was often the source of readily available cash, which enabled firms to maintain the confidence of suppliers and creditors. Knowledge marks (for explanation of cash and/or profit) were not always awarded but some candidates were clearly able to envisage businesses being propped up by cash until margins improved or volume increased taking firms 'back into the black'.

### Question 10a

Large numbers of candidates dealt impressively with the concept 'niche market'. The most capable often enhanced their answers with reference to the 'top end of the market' referred to in the case study. When time allows, it is advisable to use a relevant example to underpin understanding.

### Question 10b

Although this was only a four mark question it, nevertheless, provided 'food for thought' for future examination series. Good marks were achieved by candidates who attempted to define/explain what marketing was and who were then able to explain that effective marketing identifies, anticipates and satisfies consumer demands at a profit for Buoyant through extensive market research. By using the term 'volume' in the question there was an opportunity for candidates to gain marks by using a range of techniques, but the mark scheme also allowed for candidates to examine how niche markets might be identified and catered for. All too often a bland answer suggesting 'advertise' was the method of choice.

### Question 11

The most pleasing aspect of the answers to this question was the ability to remain in context much more than on previous papers. This was most evident where the usefulness of training was linked to the damage/return rate of only 0.7%. As always, there were examples of candidates misinterpreting this piece of evidence, these were few and far between. Centres and candidates are reminded that only by providing an evaluative response can the top marks be accessed.

### Question 12

Given the popularity of this concept in recent examinations, the treatment of it by students in this context was disappointing. Many candidates picked up on the term 'cash cow' as relating to Buoyant, yet the treatment of the term was not as confidently dealt with as might have been expected. Too many candidates assumed the Boston Matrix to be of paramount importance to Buoyant and only a relatively small number of candidates offered a balanced assessment of its merits. That said, there was evidence that candidates knew that revenue from cash cows could be used to support less well performing 'dog' products.

### Question 13

It was pleasing to see that fewer candidates in this examination series had problems with the time aspect, as evidenced by the greater number of full and, often, well constructed answers. There is nothing to prevent candidates from attempting Section B questions before those on Section A, but as long as candidates allocate their time appropriately then this should not be a problem.

Where candidates had a good knowledge of the benefits of short-term contracts and related this to Buoyant's flexibility of reviewing their labour budgets on a three week cycle, there were some extremely well crafted answers. Some of the benefits and drawbacks reported were a little extreme and marks could not be awarded for stating that overseas workers will work for less than UK minimum wage. Nonetheless, the costs and benefits were teased out well by many candidates and strong, contextualised conclusions were in greater evidence than on previous papers for this unit.

## Grade Boundaries

GCE2008 AS Unit grade boundary model

Grade	Max Mark	A	B	C	D	E	N	U
Raw mark boundary	70	46	41	37	33	29	25	0
Uniform mark scale boundary	100	80	70	60	50	40	30	0

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