

Examiners' Report January 2009

GCSE

GCSE Applied Business (2306)

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers.

Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information, please call our GCE line on 0844 576 0025, our GCSE team on 0844 576 0027, or visit our website at www.edexcel.com.

If you have any subject specific questions about the content of this Examiners' Report that require the help of a subject specialist, you may find our **Ask The Expert** email service helpful.

Ask The Expert can be accessed online at the following link:

<http://www.edexcel.com/Aboutus/contact-us/>

January 2009

Publications Code UG020778

All the material in this publication is copyright

© Edexcel Ltd 2009

Contents

1.	5308: Unit 1 - Business Finance	1
2.	Grade Boundaries	5

5308: Unit 1 - Business Finance

General comments

This paper was based on two businesses: an inn, and a ferry company. The Scenario proved accessible to candidates. It once again contained text and an image, and the text length was similar to that of past series. Centres are by now well aware that the purpose of the Scenario is to help candidates appreciate the context within which they are applying their answers. Future papers will continue to give brief text-based information and use diagrams and other images in order to help 'paint a picture' for candidates. Centres realise that candidates are not expected to memorise Scenario information, because of its introductory purpose: key information will be provided in question stems. However, the advice remains to ensure that candidates re-visit this Scenario several times during the examination, to re-familiarise themselves with it.

The paper again contained questions from all Specification areas, and this practice will continue. There were ten questions in total. The published mark scheme contains information concerning the specific mark allocation to topic areas - target mark bands are also given - and shows the marks awarded against each of the Assessment Objectives. The paper was designed to assess candidates across the full GCSE ability range, and achieved this, proving even more accessible than other recent papers.

The 90 minutes once again seemed sufficient. Gaps appeared to be due more to lack of knowledge than lack of time. The paper differentiated well, and all questions were answered as expected with no major misinterpretations. Centres are fully aware of on-line marking and related issues, and have taken full account of advice given to ensure as far as possible that candidates answer question parts in the space allocated. Where this was not so - for example, due to deleting a wrong answer in the answer line section - most candidates indicated the location of the corrected answer on the paper (eg 'see next page' or 'my answer is on the last blank page'). This practice is once again strongly encouraged.

A noted area of weakness in recent series has been in candidates' weak answers to questions that required specific application: for example, question 6 (b) on this paper referred to 'this' profit & loss account. Basing some questions on 'this' given situation still present difficulty for candidates. This specific application will remain a key theme of this paper until its demise, and centres are therefore once again encouraged to work closely with their candidates to ensure they cope with this particular challenge.

Comments on individual questions

Question 1

This style of question has been set many times before and for many candidates proved rather more demanding than in many past series. Parts (b) and (c) proved the most difficult for candidates, many of whom were not aware of the purpose of these documents.

Question 2

Parts (a) and (b) proved easy for many candidates with the calculation error usually being identified correctly and calculations often being accurate: the most common errors were, as in the past, failure to subtract trade discount or to add VAT. Some weaker answers to (c) may well have been the result of not reading the question with sufficient care because some candidates based their answers on the Inn rather than the business named in the question. Many answers were well developed, and therefore gained full marks.

Question 3

This was one of the more difficult questions. Part (a) proved the most problematic, with a tendency to simply state about the movement of money from one account to the other, or to give the advantages of using direct debit (not asked for in the question). The remaining parts were generally well answered, with most candidates carefully basing their answer on the company for (b) and (d), and on tourists for (c).

Question 4

This question was generally well answered with many candidates scoring all 6 marks. It was pleasing evidence that centres had taught their candidates to apply theoretical knowledge of assets and liabilities to a given situation.

Question 5

This question asked candidates to define and categorise costs. One common weakness was to repeat wording from the question: for example, a start-up cost is one incurred when 'starting up' the business. Better answers used alternative phrases, often referring to start-up costs as 'one-off' and running costs as 'continuous' or 'monthly'. Another common weakness was for the candidate either to use own examples, for which no credit could be given, or to select one example only (rather than two, as asked in the question) to illustrate each cost.

Question 6

Part (a) was very well done, with many candidates again scoring maximum marks. Costs proved easy to categorise, and although there were some vague statements about the end balance, the majority used 'net profit' as the appropriate descriptor. Both parts of (b) were effectively marked out of 2 for nearly all candidates because there was only a very infrequent reference to 'this' profit and loss account. Most candidates scored at least one mark for (typically) mentioning wages or job security in (i) and loans in (ii), though an easy second mark for referring to what any profit & loss account shows (ie, profit or loss) was often missed.

Question 7

The template (as in 6(a)) is well known, and in (a) many candidates scored at least 7 of the 9 marks available. Rows were typically labelled clearly, and most problems - as in previous series - came when totalling and balancing. Part (b) answers were generally very disappointing: another example of where they are asked to refer to 'this' information, and failed to do so. Candidates who did refer to the information generally mentioned the expected problems in April due to the negative figure.

Question 8

There seems to have an improvement in constructing breakeven charts, with many candidates scoring 4 or all 5 marks. Labelling of axes again proved difficult for many. Part (b) was generally well answered, with most candidates obeying the instruction to focus their answers on the line in parts (i) and (ii). There was quite a good level of understanding shown in terms of the effect of the proposed change on both lines and the breakeven position.

Question 9

It was anticipated that this question would cause more difficulty than in fact it did, because a revenue budget was featured. Nearly all candidates accurately calculated the budgeted revenue, and most could then make at least a simple comparison against actual. Some confused revenue with cost and came to the wrong conclusion, but there were many strong answers that used each of the figures effectively and made logical points. It is pleasing to have witnessed over the life of this qualification a continuing improvement in candidates' understanding of the key business tool of budgeting.

Question 10

Part (a) tested candidates on their understanding of forecast profit and loss accounts, but few could differentiate between an actual profit & loss - ie, one that summarises past revenues and costs - and a forecast one (that focuses on expected future income and expenditure). As a result, few candidates gained more than one mark for either making a simple statement about what the forecast account shows, or giving an illustration of a likely planning activity. Part (b) was, as ever, the 'extended answer' element of the paper, and was reasonably well answered. Both alternatives were popular selections, and the stronger candidates focused on the loan's interest and repayment issues, and on the relative uncertainty of future profits. Most answers were again written in extended prose rather than as bullet points, which is again encouraged.

Grade Boundaries

5308

Grade	Max. Mark	A*	A	B	C	D	E	F	G
Raw boundary mark	90	73	65	57	50	43	36	29	22
Uniform boundary mark	100	90	80	70	60	50	40	30	20

Further copies of this publication are available from
Edexcel Publications, Adamsway, Mansfield, Notts, NG18 4FN

Telephone 01623 467467
Fax 01623 450481

Email publications@linneydirect.com

Order Code UG020778 January 2009

For more information on Edexcel qualifications, please visit www.edexcel.com/quals

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH