

# Examiners' Report/ Principal Examiner Feedback

## Summer 2010

GCSE

### GCSE Applied Business (5308) Paper 01

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## PE Report On Examination Paper 5308/01

### General Comments

This paper was based on a garden centre. The scenario proved accessible to candidates. It 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. The final paper in 2011 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 paper was designed to assess candidates across the full GCSE ability range, and achieved this, proving to be accessible to all.

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 (e.g. '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 8(a) on this paper referred to 'this budget'. Basing some questions on 'this' given situation still presents difficulty for candidates. This specific application will remain a key theme of this paper until its end, 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 opening multiple choice question type is now well known and for many candidates proved quite easy. It was generally well answered with candidates showing their understanding of different payment methods.

### Question 2

Part a (i) required candidates to fill in cell A4 on the spreadsheet. This proved problematic with many candidates providing a variety of incorrect answers e.g. total price/total cost. Part a (ii) required the candidate to give the formula - this caused very few problems.

Part (b) was not particularly well answered as many candidates repeated the information given in the stem that formulas would carry out calculations quickly. Marks lost where vague answers were given e.g. quick, easy etc and poor use of terminology e.g. 'uses sums'

### Question 3

Part (a) required candidates to understand the advantages and disadvantages to the business of allowing customers to pay by cash rather than credit card and was well answered by most candidates. Some weaker students wrongly answered the question from the business's point of view and did not give the advantages and disadvantages to the customer.

Part (b) asked candidates to give two likely reasons why the customer would use a credit card rather than debit card or cash. On the whole this question was answered very well with many candidates showing good knowledge and understanding and accessing both marks easily.

Part (c) was not particularly well answered. There was a common error as many candidates stated that a direct debit is set up at the bank. Some candidates did not follow through the process, and only mentioned transferring money from one account to the other thus losing marks. Candidates lost all three marks if they described the setting up of a standing order.

### Question 4

This invoice completion is now well known and for many candidates proved quite easy. It was generally well answered with candidates gaining all 7 marks. Some candidates lost marks) as they used the wrong format for money i.e. '£57.5' not £57.50; '£162.5' not £162.50.

### Question 5

All parts of the question were well answered in general, causing few difficulties for candidates. Part (c) of this question was well answered with most candidates able to identify current assets, fixed assets and liabilities.

### Question 6

Part (a) was generally answered quite well. Some candidates lost marks as they recognised the database software as a fixed cost but could not explain why.

Candidates lost marks in part (b) as they did not answer the question 'Discuss one cost, other than the cost of staff...' but instead gave answers about staff wages. Many candidates lost marks because their answers discussed electricity costs decreasing.

### Question 7

The Cash Flow Forecast in part (a) was very well done, and candidates generally seemed well prepared for this question. Many candidates scored the maximum 5 marks.

Part (b) caused more difficulties. A common misconception was the reference to a cash flow forecast showing profitability. Few candidates scored full marks. In part (bi) many candidates made general statements and did not give a statement and a figure for each month, and part (bii) many candidates incorrectly discussed the loss the business would make.

### Question 8

Part (ai) was answered correctly by the majority of candidates. In part (aii) many candidates failed to appreciate that the budget is a forecast of future events and had little idea of how this budget could help the business. Few mentioned that it looks at both costs and revenue. A number of students mentioned budgets showing profit and loss.

In part (b) candidates were asked to construct a break-even chart and this was in the main answered well by many who showed they understood the workings of a break-even chart. Marks were lost by candidates who did not fully label the chart.

In part (ci) some candidates gave the 10% decrease of £400 and did not subtract this from the £4 000 to give £3 600.

In part (cii) many candidates lost marks as they did not consider those items that would stay the same i.e. total revenue and variable costs.

## Question 9

Many candidates scored full marks on part (a). The most common errors were not including the given figure of depreciation in the total expense and omitting 'net' before profit.

In part (bi) many candidates could identify what the P&L showed and why the party would be interested. However many simply stated "to see how well they are doing". Few candidates scored full marks as most failed to state that **this** profit and loss shows the business to be profitable.

## Question 10

In part (a) there were very few references to inflows and outflows or reference to the scenario. Again a common misconception in this question was the reference to profit and loss.

Part (b) was the 'extended answer' element of the paper, and was reasonably well answered. Most answers were written in extended prose rather than as bullet points, which is encouraging. There were some good attempts but very few candidates scored full marks.

Many candidates gave several advantages to which ever option they had chosen, and some reasons why they didn't choose the other option, however some failed to provide a balanced answer.

The biggest issue with this question was, as in previous series that many candidates seemed to have rushed in and wrote down everything that came into their head without planning. Many simply stated the same recommendations for each source again and again. When explaining why the other option was rejected many candidates summarised the advantages and disadvantages they had previously identified and explained.

## Grade Boundaries - June 2010

5308	Total	A*	A	B	C	D	E	F	G
Raw Mark	90	76	66	56	47	41	36	31	26
UMS	100	90	80	70	60	50	40	30	20

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