

Examiners' Report
June 2012

GCSE Applied Business 5AB04 01

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Introduction

This was the third paper to be sat for the Applied Business qualification (double award) which is available in June each year. The paper was based on Just Gorgeous, a sole trader supplying home furnishings. The scenario proved accessible to candidates. It contained text and an image. 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.

Candidates are not expected to memorise scenario information, because of its introductory purpose and 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.

To date the papers have covered a variety of businesses - a cafe bar, a farm and this series a retailer. It is recommended that candidates are encouraged to look at a variety of businesses and ownership types and to practice answering questions in context.

There were six questions in total and the paper contained questions from all specification areas. The paper was designed to assess candidates across the full GCSE ability range, and achieved this, proving it to be accessible to all. Quality of Written Communication was assessed in question 6(b) and this was indicated by an asterisk (*6(b)).

The command words at the beginning of each question are crucial. Many candidates are losing marks through their lack of understanding of these words. For example where the command word 'explain' is used and awarded 3 marks the candidate's answer should be developed. Many candidates are submitting a bullet list of points without further development which cannot gain full marks.

Question 2 (a)

A budget is an estimate of income and/or expenditure for a set period of time. Many candidates did not appreciate that the budget is a financial plan, and few mentioned that a budget looks at both costs and revenue.

2 (a) What is a budget? (1)

a prediction.



ResultsPlus
Examiner Comments

Although the candidate says it is 'a prediction' it is not applied to the business or finance and so could not be awarded any marks.



ResultsPlus
Examiner Tip

Be specific - a prediction of what?

2 (a) What is a budget? (1)

How much a business plans to spend on various items



ResultsPlus
Examiner Comments

The candidate has mentioned planning and so scores 1 mark.



ResultsPlus
Examiner Tip

This is a much more focussed answer - always apply your answer to the business.

2 (a) What is a budget?

(1)

A budget is a forecast or prediction of how much money will be coming in and out of a business.



ResultsPlus

Examiner Comments

The candidate has mentioned a forecast or prediction (planning) and so gains 1 mark.

2 (a) What is a budget?

(1)

A budget is a financial plan



ResultsPlus

Examiner Comments

A perfect answer - 1 mark

Question 2 (b)

Although some candidates showed understanding of what a cash budget was used for, some confused the cash budget with cash-flow forecasts. Candidates in general had little idea of how a cash budget could help the business.

The answer should mention planning, monitoring, control or forecasting.

An example that would gain 3 marks would be:

A cash budget will enable Lucy to plan the amount she will spend against the amount coming in (1) and therefore she can identify times when there will be cash shortages (1) and can decide if she needs a loan (1)

Lucy's accountant says she should be using a cash budget at *Just Gorgeous*.

(b) Explain **one** benefit to *Just Gorgeous* of using a cash budget. (3)

it will control the amount she spends when will stop her from spending more money than she has. it will also stop her from buying too much stock



ResultsPlus
Examiner Comments

Although a budget will help Lucy control her spending it cannot stop her from spending.

Lucy's accountant says she should be using a cash budget at *Just Gorgeous*.

(b) Explain **one** benefit to *Just Gorgeous* of using a cash budget. (3)

By using a cash budget, Lucy will be able to control her outflows/expenditures in the business. This means if she sticks to the budgets she has made, she will not go into a deficit as all of her money is planned out according to what it is needed for. She will know exactly how much she can afford to spend when trying to expand the business.



ResultsPlus
Examiner Comments

The candidate has covered control 'stick to her budget', planning 'all of her money is planned' and forecasting 'how much she can afford to spend' (in the future) and so is awarded 3 marks.

Lucy's accountant says she should be using a cash budget at *Just Gorgeous*.

(b) Explain **one** benefit to *Just Gorgeous* of using a cash budget.

(3)

She can monitor the cash inflow and outflows. This will help her stick to any ~~spend~~ spending limits she may have and avoid any issues eg. bankruptcy. As she has new costs she will have to do a budget to see if they can be afforded.



ResultsPlus

Examiner Comments

The candidate has identified the concept of monitoring cash inflows and expenditures, controlling her cash and planning for future expenditure - 3 marks.

Question 2 (c)

Many candidates found it challenging to explain clearly why budgets should be monitored frequently. A number of candidates mentioned budgets showing profit and loss. Answers should refer to the frequency of monitoring and not the setting of budgets.

An example of an answer gaining full marks would be:

They are only a prediction (1) so Lucy needs to check performance regularly (1) to see if they are on target (1)

Vague answers such as 'to see how the business is doing'; 'to see how much is going in and out' or 'to make sure she doesn't go over' could not be awarded any marks.

(c) Explain why Lucy should monitor all budgets frequently. (3)

The budgets are only prediction, they do not mirror what may actually be happening. Lucy for example may have had less sales than predicted which would mean she wouldn't have enough money to cover a certain order. Also, she can reference the budget to see whether the business is on-target.



ResultsPlus

Examiner Comments

This answer was awarded 3 marks. It included: Only a prediction – she may have a shortfall – needs to check if they are on target.



ResultsPlus

Examiner Tip

Be sure to explain what you mean fully and develop your answer.

(c) Explain why Lucy should monitor all budgets frequently. (3)

Without monitoring your budgets, you are more than likely to under/overspend on that specific budget. If monitored carefully the business can ensure all money is allocated wisely, and that no money is under/over used, keeping the business flowing smoothly and cash is distributed well.



ResultsPlus

Examiner Comments

A well applied answer that gains full marks.

Question 2 (d)

Most candidates scored well here although some candidates lost marks as they repeated reasons rather than identifying four correct reasons why the actual and forecast budgets may differ.

Lucy has also been told to prepare a sales budget. When Lucy compares the actual results with the sales budget they might be different.

(d) Suggest **four** reasons why this may occur.

- 1 The prices for the raw materials (i.e. paint) may have increased resulting in her planned expenditure increasing ⁽⁴⁾
- 2 She may have had more customers than she previously predicted.
- 3 She may have sold less than she predicted because the demand for her ^{service} product wasn't as high as she thought it would be.
- 4 She may have offered deals to her customers that she didn't predict that she would.

(Total for Question 2 = 11 marks)



ResultsPlus
Examiner Comments

This candidate has scored full marks. The answer included:
Increase in expenditure – increase in sales - decrease in sales –
reduction in her prices.

Lucy has also been told to prepare a sales budget. When Lucy compares the actual results with the sales budget they might be different.

(d) Suggest **four** reasons why this may occur.

(4)

- 1 The sales budget may not be the same because it is predicted beforehand.
- 2 There might be a change in cost of sales
- 3 If Lucy's competitors reduce the price then Just Gorgeous will also have to reduce theirs.
- 4 She may have less customers than she predicted in the sales budget

(Total for Question 2 = 11 marks)



ResultsPlus

Examiner Comments

Another answer that scores full marks:

Prediction only – change in cost of sales – competitors – less sales

Question 3 (b)

1 mark was awarded for an appropriate effect of negative cashflow and 2 marks for development. Many candidates lost marks as they did not explain the effect on the business but gave answers referring to the business having 'lost money'.

An example of a good answer would be:

Negative cash flow will mean that Lucy has no cash for investment (1) which may affect her plans for a personal design service (1) and so restricting expansion of the business (1)

In January, Lucy has a negative cash-flow.
(b) Explain **one** effect of a negative cash-flow on *Just Gorgeous*. (3)

One effect maybe that Just Gorgeous will not have enough money to pay there bills they will have to sell certain assets which could cost them money in profit and or otherwise. If the cashflow problems were to continue the business could go into seirious debt.



ResultsPlus
Examiner Comments

A good three-mark answer with three clear points: not have enough money - have to sell assets - serious debt



ResultsPlus
Examiner Tip

Remember to apply and develop your answers for full marks.

In January, Lucy has a negative cash-flow.
(b) Explain **one** effect of a negative cash-flow on *Just Gorgeous*. (3)

If there is a negative cash flow then that could mean either more money was spent than expected this could effect the business as that will mean money has been lost.



ResultsPlus
Examiner Comments

This is a rather confused anwsver that does not explain the effect of a negative cash-flow and confuses cash-flow with profit and loss. No marks can be awarded.



ResultsPlus
Examiner Tip

Cash-flow can never tell you anything about profits!

In January, Lucy has a negative cash-flow.

(b) Explain **one** effect of a negative cash-flow on *Just Gorgeous*.

(3)

• One effect of a negative cash flow on 'Just Gorgeous' could be that the business is losing money; money is coming out of the business - £400 outflow.



ResultsPlus
Examiner Comments

The candidate has missed the point of the question - no effects are mentioned.

Question 3 (c)

1 mark was awarded for an appropriate way of managing a negative cash flow and 1 mark for developing this further. The most common wrong response was that Just Gorgeous should 'sack staff'.

Good examples of answer scoring full marks could be:

Lucy could find a way to cut costs (1) and so reduce payments/outgoings (1)

or

Lucy could introduce special offers (1) to increase sales/revenue (1)

(c) Outline **one** way in which Lucy could manage this negative cash-flow. (2)

reduce her payments so that more money is coming in than going out of the business.



ResultsPlus

Examiner Comments

The way to manage the negative cash-flow is appropriate but there is no real development. The candidate has not indicated how payments will be reduced and so only 1 mark can be awarded.



ResultsPlus

Examiner Tip

Remember to develop your answer.

(c) Outline **one** way in which Lucy could manage this negative cash-flow. (2)

Lucy could manage this negative cash flow by looking at the months and see how much inflow & outflow there is during these months.



ResultsPlus

Examiner Comments

An inappropriate response - just looking at Lucy's figures will not manage the problem - what should she actually do?

(c) Outline **one** way in which Lucy could manage this negative cash-flow.

(2)

She could decrease her total payments (her outflow) and she could do this by changing the supplier.



ResultsPlus

Examiner Comments

Decreasing her payments is an appropriate method and the candidate has then developed the answer to say how this could be done. 2 marks can be awarded.

Question 3 (d)

Most candidates gained 2 marks as they realised that the bank would want to be repaid, but some failed to explain what the cash-flow forecast would show them. An example of an answer gaining full marks would be:

The lender would want to see if Lucy has planned her business properly (1) to be able to judge the risk of making the loan (1)

Lucy thinks she may need to take out a loan to finance the new design service.

(d) Outline why a lender might want to see Lucy's cash-flow forecast. (2)

A lender might want to see Lucy's cash-flow forecast to see if she will be able to pay off the loan when it is due if she has enough money to pay off the loan when it is due.



ResultsPlus
Examiner Comments

Enough money to pay off the loan when it is due (forecasting) gains 1 mark but there is no further development.

Lucy thinks she may need to take out a loan to finance the new design service.

(d) Outline why a lender might want to see Lucy's cash-flow forecast. (2)

to see if the business is receiving enough inflow which will allow her to pay the lender back.



ResultsPlus
Examiner Comments

'Receiving enough inflow' and 'ability to repay' would gain the candidate 2 marks.

Question 4

1 mark was awarded for each correct month's closing balance in Part (a) plus 1 mark for an appropriate **effect** of the changed closing balances on *Just Gorgeous* and 1 mark for some development in Part (b).

Most candidates successfully calculated one closing balance but few calculated both balances in Part (a). Some candidates lost marks in Part (b) as they stated the changes rather than the effect of the changes.

Lucy realises that she has forgotten to include the purchase of design software, costing £950, in the cash-flow forecast. This will be purchased in January and payment will be made a month later.

- 4 (a) Calculate the change on the closing balances once this purchase is included in the cash-flow forecast.

(2)

Space for your workings

2015	January (£)	February (£)	March (£)
Total Receipts	3,600	4,000	5,200
Total Payments	4,000	4,700	4,600
Net inflow/outflow	-400	-700	600
Opening Balance	1,000	600	-100
Closing Balance	600	-100	500

- (b) Outline the effect of the change in the closing balances you have calculated in 4 (a) above.

(2)

The business was making deficit as a result of closing balance of February where its closing balance was -100 (£).



ResultsPlus
Examiner Comments

Both closing balances are correct in Part (a), but only one is mentioned in Part (b). The candidate therefore gains only 3 marks.

Lucy realises that she has forgotten to include the purchase of design software, costing £950, in the cash-flow forecast. This will be purchased in January and payment will be made a month later.

- 4 (a) Calculate the change on the closing balances once this purchase is included in the cash-flow forecast.

(2)

Space for your workings				The closing balance before was
	January	February	March	
T.R	3600	4000	5200	600
T.P	4950	3750	4600	-350
Net m/oth	-1350	250	800	Meaning they have lost
O.B	1000	-350	-100	2950
C.B	-350	-100	500	Also resulting to smaller closing balance for February & March

- (b) Outline the effect of the change in the closing balances you have calculated in 4 (a) above.

(2)

Lucy may not be able to get a loan as the lender will see her as untrustworthy and not capable of paying back the loan. She will have to arrange overdrafts which have high interest rates.



ResultsPlus
Examiner Comments

Both marks are awarded in Part (a) and Part (b).

Lucy realises that she has forgotten to include the purchase of design software, costing £950, in the cash-flow forecast. This will be purchased in January and payment will be made a month later.

- 4 (a) Calculate the change on the closing balances once this purchase is included in the cash-flow forecast.

(2)

2013	Space for your workings		
	January (£)	February (£)	March (£)
Total receipts	3600	4000	5200
Total payments	4000	4700	4600
Net inflow/outflow	-400	-700	600
Opening balance	1000	600	-100
Closing balance.	600	-100	300

- (b) Outline the effect of the change in the closing balances you have calculated in 4 (a) above.

(2)

Lucy ends up losing money in February due to the purchase of the design software.



ResultsPlus

Examiner Comments

Part (a) gains 2 marks but Part (b) is incorrect - she has not 'lost money' she has bought software.



ResultsPlus

Examiner Tip

A cash-flow forecast cannot show profit or loss!

Question 5 (a)

This question elicited mixed answers with many candidates gaining full marks but equally many gaining only 1 mark for a very brief answer.

1 mark was awarded for an appropriate benefit of calculating break-even and 2 marks for development.

An example of a good response would be:

It shows the number of customers necessary before Lucy will cover her costs (1) and can calculate the margin of safety (1) so Lucy would be able to determine if it would be profitable to offer her proposed new service (1).

Lucy has decided to carry out a break-even analysis on the new design service.

5 (a) Explain why Lucy would benefit from carrying out a break-even analysis for the new design service. (3)

To see how many customers she needs to sell to in order to break even from then she could calculate a margin of profit safety to ensure she breaks even and hopefully make a profit.



ResultsPlus
Examiner Comments

A well developed answer scoring full marks. The answer includes:
Number of customers – margin of safety – hopefully make a profit.

Lucy has decided to carry out a break-even analysis on the new design service.

5 (a) Explain why Lucy would benefit from carrying out a break-even analysis for the new design service. (3)

She will get an idea of how much she could get and could find out approximately when she could get it.



ResultsPlus
Examiner Comments

This answer makes no application to break-even analysis - the candidate does not seem to understand the concept.

Lucy has decided to carry out a break-even analysis on the new design service.

- 5 (a) Explain why Lucy would benefit from carrying out a break-even analysis for the new design service.

(3)

She will be able to see the comparison of how much the new design service will cost with the revenue she would make from it as well as seeing how many customers she would have to serve to reach break even so she can decide whether this additional service is worth the price it'll cost and whether she'll reasonably make a profit from introducing it.

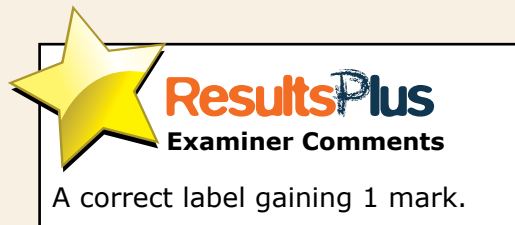
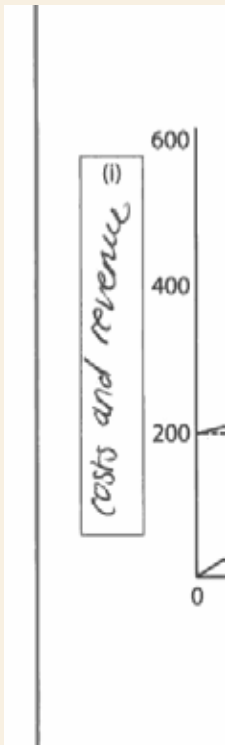


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Examiner Comments

A well developed answer with three clear points scoring full marks.

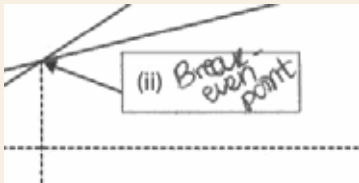
Question 5 (c) (i)

The label should read 'Costs and Revenues'. Many candidates struggled to gain a mark here.



Question 5 (c) (ii)

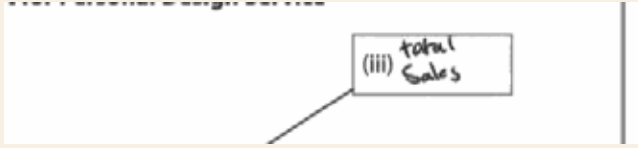
The majority of candidates could label the break-even point.



Question 5 (c) (iii)

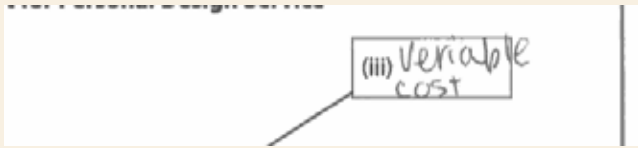
Either

Sales or Revenue are acceptable as the label here.



 **ResultsPlus**
Examiner Comments

A correct label

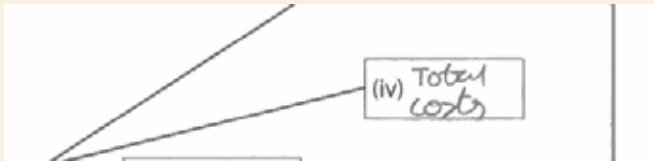


 **ResultsPlus**
Examiner Comments

A common mistake was to label this line as variable costs.

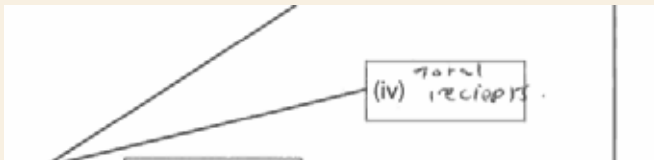
Question 5 (c) (iv)


Total costs was the correct label.



 **ResultsPlus**
Examiner Comments

A correct label

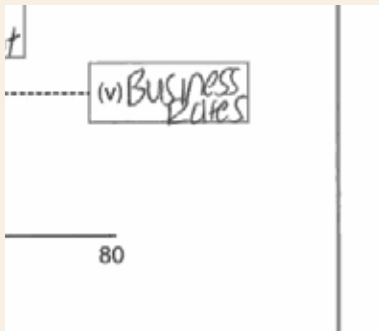



 **ResultsPlus**
Examiner Comments

A common error was to label this as receipts rather than costs.


Question 5 (c) (v)

Fixed costs was the correct label.

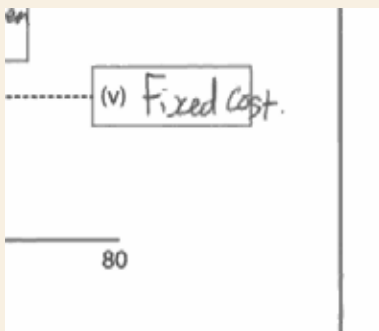


 **ResultsPlus**
Examiner Comments

A common error was to label this line as business rates rather than fixed costs.

 **ResultsPlus**
Examiner Tip

Although the rates will be part of the fixed costs this is not the appropriate label.



 **ResultsPlus**
Examiner Comments

A correct label

Question 5 (d)

This question was, in the main, well answered but many candidates gave answers with recommendations of what the business should do rather than analysing the effect of a rates increase on the chart.

Lucy has received a letter from the local council informing her that her business rates are to increase.

(d) Analyse the effect this change will have on her break-even chart.

(4)

Her fixed costs will increase meaning that the line will be higher up. The total costs line will be steeper as she is having to spend out more money each month/year. The total revenue line will stay in the same place as the outflow of business rates won't affect her inflows (sales). The breakeven point will increase as it will take longer for the total costs to equal the total revenue as the outflows of the business have increased. (Total for Question 5 = 16 marks)



ResultsPlus

Examiner Comments

Three valid points are made but the total costs line will not become steeper - it shifts upwards in parallel.

Lucy has received a letter from the local council informing her that her business rates are to increase.

(d) Analyse the effect this change will have on her break-even chart.

(4)

Prices will go up



ResultsPlus

Examiner Comments

This is incorrect and is not an effect on the chart.

Lucy has received a letter from the local council informing her that her business rates are to increase.

(d) Analyse the effect this change will ~~has~~ have on her break-even chart.

(4)

It means her sales revenue line will increase, meaning the break even point will be lower, depending on the new business rates.



ResultsPlus
Examiner Comments

Costs do not affect revenue - an incorrect answer.

Lucy has received a letter from the local council informing her that her business rates are to increase.

(d) Analyse the effect this change will this have on her break-even chart.

(4)

The total costs will increase so the line would become more steeper as the business would need to pay more money. Business rates is a fixed costs so the fixed costs line would also increase. The sales line would not change as the business rates does not effect the prices of their products or services. The break even point would move to the right as it would increase so the business would need to sell more products to cover the costs.

(Total for Question 5 = 16 marks)



ResultsPlus
Examiner Comments

Full marks for four effects on the chart.

Question 6 (a)

Candidates found this a challenging question to outline how ICT can assist with break-even. Many gave very brief answers such as 'quicker' or 'easier'. Many made points that could equally be applied to a break-even chart drawn by hand.

Lucy is considering the use of ICT to produce her break-even chart for *Just Gorgeous*.

6 (a) Outline **two** advantages to *Just Gorgeous* of using ICT to create break-even charts. (4)

1 She will be able to use formula's which will enable her to ~~calculate~~ make calculations a lot quicker

2 Once the chart has been produced, the document is safely stored in the computer. This document can also be attached to emails which can be sent to possible investors in Lucy's business



ResultsPlus
Examiner Comments

Full marks are awarded. The answer included:
Formulas – speed
Stored on computer – attached and sent out

Lucy is considering the use of ICT to produce her break-even chart for *Just Gorgeous*.

6 (a) Outline **two** advantages to *Just Gorgeous* of using ICT to create break-even charts. (4)

1 One advantage would be that Lucy will be able to create the chart more quickly and easily.

2 Another advantage is that Lucy would be able to compare it to past break-even charts ~~which~~ ~~to see~~ ~~if~~ there are any differences.



ResultsPlus
Examiner Comments

No marks are awarded.
The candidate does not specify how it is quicker or easier e.g. than a manual system. A manual breakeven chart could also be compared with past charts.

Question 6 (b)

This was the 'extended answer' element of the paper, and was quite well answered. Most answers were written in extended prose rather than as bullet points. The aim here was for candidates to assess how appropriate these sources of finance would be for *Just Gorgeous*. There was no right answer and the candidate could argue either way.

To reach level 2 and 3 it was essential that the candidate applied the sources of finance to *Just Gorgeous*.

There were some good attempts with candidates scoring marks at level 2. Unfortunately many candidates did not reach level 3 as they did not satisfactorily conclude their answer.

Many candidates justified whichever option they had chosen and gave some reasons why they didn't choose the other option. The biggest issue with this question was, as in previous series, many candidates seemed not to have planned their response. Many simply repeated the same points again and again. When explaining why the other option was not chosen, many candidates summarised the advantages and disadvantages they had previously identified and explained.

Lucy thinks that the personal design service will be popular. To launch the service she will have to purchase a van plus sample materials and equipment. She estimates this would cost approximately £20 000.

Lucy is considering two options to raise the finance for this:

Option 1 – Using her own savings

Option 2 – A bank loan

*(b) Which of these sources of finance would you advise her to choose? Justify your answer.

Source chosen (tick one box only)

Using her own savings

A bank loan

(10)


In my opinion, a bank loan will be the best source of finance to use. This is because it is a large sum of money and bank loans are normally the most popular. It is also quite an easy to arrange with the bank and then you will be able to pay back the money over a long period of time as using a bank loan will be a long term method. However, using a bank loan could be a possible disadvantage for Lucy as she will have to pay back more than she borrowed. This is called interest. Although using her own savings is good as it is her own money that she doesn't have to pay back or pay any interest, it could take a very long time to make the money back up. She may also need to money for future use. To conclude, a bank loan will be the best source of finance to use.



ResultsPlus

Examiner Comments

This answer scored 4 marks and is at the top of level 1. It is level 1 because it lacks application, no conclusion is reached and only two advantages and two disadvantages are given. As there is some comparison with the alternative, this response is at the top of the level.



ResultsPlus

Examiner Tip

Avoid generic answers - apply your answer to the business in the scenario.

*(b) Which of these sources of finance would you advise her to choose? Justify your answer.

Source chosen (tick one box only)

- Using her own savings
 A bank loan

(10)

I would advise her to use personal funds because she doesn't have to pay interest on the money. In addition the use of personal savings doesn't tie her down to pay monthly payments, this is effective because debt and unpaid payments inflict stress and add more interest on the money having to be paid. She shouldn't use a loan because she has to interest on the money.

In addition she shouldn't use a bank loan because she may not be able to pay them back all the time. Personal funds allows her to use it in any way she requires too.

Bank loans can be used because it provides her with the money she requires and she can use personal funds for other investments.



ResultsPlus Examiner Comments

There is no application, some repetition and very limited development in this response. It has a generic basic conclusion, but the response does not reach the top of level 1 and so gains only 3 marks.

*(b) Which of these sources of finance would you advise her to choose? Justify your answer.

Source chosen (tick one box only)

Using her own savings

A bank loan

(10)

Lucy should use her own savings. This is because she will have the money straight away and it will be easy to access. If she got a bank loan, it would take time for her to get the money so she couldn't start the service straight away. With a bank loan, she could get an expert's advice,

however this still isn't beneficial to her money because when re-paying the loan she would have to pay a high amount of interest which would lead to the production of the service overall being more than £20 000. She will not have this problem with her own money. However she may need her own money for other things, this is the only problem, but if she budgeted accurately and produced a cash flow forecast she would be able to produce the service with her own money. This will mean no extra payments on her monthly fixed costs and she can guarantee the money to be there without worrying to repay it.

(Total for Question 6 = 14 marks)

TOTAL FOR PAPER = 60 MARKS



ResultsPlus

Examiner Comments

Five points are made, there is some application, some comparison to the alternative, so top of level 2 - 7 marks.

*(b) Which of these sources of finance would you advise her to choose? Justify your answer.

Source chosen (tick one box only)

Using her own savings

A bank loan

(10)

I would advise Lucy to use her own savings for many reasons. One is that, if she takes out a loan, she will have to pay interest fees with the loan, which she wouldn't have to pay if she uses her own savings. This means she will have more money left over to put back into the business. Also, if she uses her own money, she can access it straight away because it is hers,

whereas she will have to apply for the bank loan, and back up her application with financial documents - so there is no guarantee she will actually get the loan. However, she might not have enough money saved up to finance the van and new equipment, so she needs to consider whether she has enough saved to afford it. Also, she won't want to use all of her savings, as it would be wise to keep some extra in case of a personal emergency - Lucy must think about whether she has more than the £20 000 needed saved up. Overall I feel that using her own savings would be the best bet as she would keep more control over the business. If she did take out a loan, the bank would constantly be checking up on her ability to pay it back, and she may not actually be able. It would be safer to pay for the items with money she knows she has, rather than put herself in a risky position in the future.

(Total for Question 6 = 14 marks)



ResultsPlus

Examiner Comments

A well developed answer with a conclusion which takes it into level 3 - 9 marks.

Paper Summary

The 60 minutes 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. It was encouraging to see candidates answering questions in the spaces provided. Some candidates wasted time and space on the paper as they repeated the question or information provided in the stem before a question.

Where, for example, a candidate had deleted 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 strongly encouraged. There were a few occurrences of candidates writing in heavy felt pens that transferred onto the reverse of the paper or in pencil that were difficult to read. Candidates are advised to read the rubric at the front of the paper which instructs them to use black ink or ball-point pen.

The most common problem throughout the paper was, as in previous papers, the frequent inappropriate mention of 'profit'.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

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