

Examiners' Report Summer 2007

GCSE

GCSE Business Studies & Economics (Nuffield-BP) (1171)

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General Comments

As those who read this report on a regular basis will know, we try very hard to give advice to help teachers prepare candidates more effectively for tackling this challenging examination. We have said on many occasions that we do not apologise for the challenging nature of the course and the examination; a number of colleagues have mentioned how valuable the course is in preparing candidates for the challenges post GCSE - whatever they may be. We aim to try and encourage candidates to think but, of course, this can only be achieved if teachers help promote that message in classrooms throughout the two years of the course prior to the examination and the submission of coursework.

The issues relating to coursework have largely not changed since the course began. The beauty of teaching business and economics is the vibrancy of the subject and the fact that every new academic year presents a wealth of new material that we can use to inspire and engage candidates. For some centres, the outside world seems largely detached from the classroom; the same titles and investigations are churned out every year with the predictable similarity in results (and downgrading by moderators) in terms of the outcome of candidate work. The successful centres tend to be those that provide some sense of ownership to candidates in producing their portfolio work.

Many centres still only do two pieces during the two years. Many centres still provide far too much prescription in the way that the work is carried out; many centres still focus on titles that candidates might not find interesting; the extent of annotation on candidates work is minimal and non-existent in some cases. I have heard colleagues commenting that they do not have the time to annotate work. Dealing with a large number of coursework is challenging and time-consuming; I often wonder if colleagues would be happy if examiners also offered the same comment about marking examination scripts!

The fact is that coursework should be looked at from the perspective of the extent to which candidates have met the assessment objectives being targeted. Looking at a paragraph offered by the candidate and offering some comment as to the extent to which that paragraph meets certain assessment objectives (for example, '*good use of knowledge in context with high quality evaluative comment*') is very helpful to both teachers and moderators in helping to arrive at the appropriate level of response for candidates. In some cases it seems debatable whether any of the work has been read at all and in others, the legend 'A02' is written by the side of a sentence which is clearly an evaluative comment meeting A04! It does not give one the greatest confidence when the teacher does not appear to recognise where different assessment objectives have been met.

Despite these gripes, some centres are clearly entering into the Nuffield philosophy and producing varied and interesting investigations driven by the candidates themselves. The work is properly presented, keeps largely within the word limit and has titles that allow candidates to access all the assessment objectives. Candidates would perform far better if the advice of the Principal Moderator was taken on board; alas there are still too many centres that seem to ignore this advice along with the advice given in the U9 feedback to centres.

For the written examinations, the emphasis on problem solving (Papers 1F and 3H) and perspectives (Papers 2F and 4H) still forms the scheme of assessment. For the problem solving paper this year, the issue of poverty was the focus. The content is very much based in Units 5 and 6 and tends to be more 'economics' in nature. This is a feature of the Specification. It is also the case that in providing a theme for the problem solving paper, there is an inevitable narrowing of the focus. However, the various individuals who contribute to the paper production process (most of whom are teachers who actually teach this course) are conscious of the need to cover the Specification but at the same time provide a 'problem' that candidates can explore and provide suggested solutions to.

Section A of the paper provides various questions that encourage candidates to explore the nature of the problem. Section B provides the opportunity for offering some solutions and in so doing, the emphasis on the higher order skills is greater in this section. We have said on numerous occasions that teachers and candidates must remember that there are four assessment objectives that form the assessment and that 50% of the assessment objectives are the higher order skills of analysis and evaluation. At INSET meetings, I often ask colleagues whether they devote 50% of their teaching time to the development of these skills; invariably the answer is 'no' because of the perceived need to cover the content.

The major reason for candidates not achieving the grades they might be capable of is primarily that they do not demonstrate sufficient awareness of the higher order skills, particularly evaluation. This is a skill that really has to be worked at and it is recommended that centres do build in ways of developing these skills at the earliest stage possible and throughout the two years of the course. It will pay dividends!

The focus on poverty and income inequality on the problem solving paper did provide some challenges to candidates. It must be remembered that the content on Papers 1F and 3H is all part of the Specification and as such we have a duty to cover the Specification. Over the whole exam i.e. Papers 1F and 2F or Papers 3H and 4H, there was a wide range of the Specification covered. The major challenges on Papers 1F and 3H appeared to be the fact that it was very much 'economics'. Macroeconomic topics have always proved challenging to candidates at this level. However, it is on the Specification and we have to ask questions on it. In future examination series, the problem solving paper will continue to provide a topic as the main focus for the paper; of necessity this tends to narrow the focus of the paper but equally provides a more appropriate interpretation of the scheme of assessment as outline in the Specification. Artificial attempts to create a theme that covers lots of areas of the Specification tend to mean that we end up with a paper that is not problem solving. This is a criticism that was levelled at the problem solving papers prior to 2003 and in many respects this was fair criticism. We have attempted to respond to those comments but in doing so there are inevitably trade-offs!

One of the key features of teaching this demanding section of the course is to bear in mind that examiners are not looking for A' level standard answers; there were many cases where misunderstandings and misinterpretations were evident in candidates answers but this does not necessarily preclude a candidate from getting reasonable marks. What is often more important is the skills that they are able to demonstrate. The level of macroeconomic understanding at GCSE tends to be relatively simplistic; what examiners are looking for are basic links being made between different economic concepts - productivity and growth, income distribution and growth, unemployment and growth, poverty and growth and so on.

Ultimately, if candidates do not demonstrate the skills then they are always going to be limited in the extent to which they can access the full mark range regardless of the extent of their knowledge. The learning of knowledge without an appreciation of how it can be used in different contexts and in different ways is largely useless.

Papers 2F and 4H provided a variety of different topics ranging from ringtones for mobile phones through to the Olympic Games in 2012. As with Papers 1F and 3H, the topics chosen as the context should have been familiar to candidates; it is hard, for example, to think that most candidates will not have heard of Live 8 or the Crazy Frog or the news about the Olympic Games or that a teacher would not have spent at least some time during the two years looking at the state of the UK economy.

Questions 1 and 3 on the perspectives paper appeared to prove to be the most popular. However, what was noticeable in candidate responses across all three questions on this paper was the lack of understanding of fundamental business and economic concepts. Price and cost continue to be misunderstood and used interchangeably; profit is poorly understood for the most part and terms such as marketing and market segmentation provoke responses that demonstrate a paucity of understanding. In addition to this, the tasks requesting candidates to handle simple data such as a graph or some basic numbers proves equally challenging.

The more detailed comments by the Principal Examiners and Principal Moderator for the different papers serve to highlight some of the major areas of weakness in candidate responses as well as some examples of exactly what examiners are looking for in candidate responses. It is highly recommended that this report is read carefully and the comments herein acted upon as teachers prepare candidates for the examination in 2008.

We would also recommend making every effort to attend the INSET days arranged in October/November 2007. The feedback from delegates at the last two events has been very positive. We aim to provide practical and constructive advice at these sessions to help centres prepare candidates more effectively for the forthcoming examination series.

Administration:

This was the first year that this examination was marked via the e-Pen system. The system presented its own challenges but there are a number of points that centres would be advised to bear in mind:

It should be made clear to candidates that clarity of presentation is important.

The amount of space made available is sufficient for candidates to be able to access the full mark range - it is quality and the attention to the assessment objectives that examiners are looking for not quantity.

The use of e-Pen does have benefits in that the accuracy of marking across a paper is greater than that with a single examiner. This benefit is removed when candidates are advised to use additional answer sheets simply to get papers marked in a 'traditional' way.

If candidates do need to use additional space there is generally ample space on the actual paper itself to add any additional information - this will get scanned and seen.

The detailed comments on each paper below consider key points from each question. Common questions form 40% between Foundation and Higher papers; the comments in the Foundation section of each paper also encompasses candidate responses to these questions on higher as well as foundation tiers. As in previous years, the spelling mistakes in candidate responses have been faithfully reproduced.

Paper 1F Foundation - Problem Solving

Question 1(a)

This question proved to be a user-friendly introduction with the vast majority of candidates able to elicit the correct answers from the table.

Question 1(b) - Common - Question 1(a) on 3H

The second question was less successfully dealt with by Higher as well as Foundation candidates. The concept of 'income distribution' was not well understood, despite the stimulus material in Evidence A being designed to give candidates a clear pointer. Too many candidates re-hashed the question to state that, 'income distribution is how income is distributed', thus gaining no marks. This is a key concept highlighted in the Specification and candidates should be familiar with such key concepts.

It is worth noting that the language used by candidates does not need to be that from a typical textbook. The following response, for example, secured full marks:

"Income distribution is the way the amount of money in a country is divided up between the population. The GDP of \$40,000 per person does not show the distribution between the very rich and the very poor, as 12% live below the poverty line and the richest 30% account for 30% of the countries (sic) money".

One of the features of this answer was the use made of the evidence by the candidate. The evidence is carefully selected for a purpose and candidates should be encouraged to use it and time should be spent helping candidates understand the nature and role of stimulus material.

Income distribution is an important element within the Specification and needs to be covered by centres. Equally, candidates should be encouraged to read the stimulus material carefully, perhaps highlighting key words and annotating paragraphs, before attempting the questions.

Question 1(c)

The vast majority of candidates scored on this question, with most gaining 2 marks or above. The one issue here involved candidates who offered more than one problem. The question highlighted the fact that 'one' problem was required. The other 3 marks were available for development. Centres are encouraged to practise this type of question so that candidates are fully aware of how to pick up full marks. Consider the following response:

"One problem for people living in Malawi is that they cannot afford basic amenities [1 mark], like food, medicines [1 mark for example]. This makes people malnourished (sic) [1 mark] and may lead to them not being able to work, increasing poverty even more [1 mark - further development]".

It may be worth providing candidates with this, or similar responses, to enable them to recognise exactly where 4 marks can be scored on this type of question. A worthwhile 'Assessment for Learning' opportunity.

Question 2(a) - Common

Another common question which proved difficult for many candidates, especially on the Foundation tier. Too many candidates provided responses which focused on the 'quality of life' rather than the standard of living. The key here was the need for reference to material possessions that people are able to buy. Examples should be of such possessions. Candidates who dealt with quality of life could gain a maximum of 1 mark. This perhaps seems harsh, but as this was a common question the same standard needed to be applied to both tiers. Thus, to avoid penalising those candidates who provided an accurate explanation of 'standard of living', anything else needed to score less. Centres are advised to formally distinguish between the standard of living and the quality of life.

Question 2(b) - Common

A majority of candidates on both tiers were able to place the photographs in the correct order.

Question 2(c) - Common

This question proved to be accessible for Foundation and Higher tier candidates, and proved to be a vehicle for some developed, thoughtful responses. Candidates needed to use the information from Evidence B and their response in 2(b) to explore issues of poverty. Many candidates used this as an opportunity to demonstrate their understanding of absolute and relative poverty. Whilst this was not necessary for full marks, obviously such explicit reference was rewarded. We expected specific reference to the photographs. Equally, direct comparison was required to score full marks. Some candidates simply described each photograph without using this information to arrive at a judgement. Such responses were limited to Level 1.

Question 3(a)

The anticipated responses, as shown on the mark scheme, did not appear with the regularity we expected. Many candidates did not focus on the country, but rather on individuals. Credit was given where the development was present. As with Question 1(c), 3 marks were available for development of this answer. So, a candidate suggesting that 'disease' [1 mark] might be a cause of poverty in Malawi must be able to identify where their 3 development marks are. Minimalist responses were common:

"Disease because people will be dying and won't be earning money". [2 marks]

Did this candidate think there was enough here for 4 marks? Or did they not have the necessary knowledge to gain 4 marks? Or were they not sufficiently versed in exam technique to ensure they secured full marks? With a question like this we feel that most candidates would be able to develop an answer that achieved 3 or 4 marks, were they to have practised this type of question as part of the course and the revision programme.

Question 3(b)

This question was answered slightly more successfully than 3(a), but similar comments apply with regard to the lack of development that was often present. These questions will be marked using the 1+3 formula - 1 mark for the reason/effect and 3 for the development. Candidates need to be able to recognise where their 3 development marks are coming from.

Question 3(c) - Common

Once again Foundation candidates did find this common question quite difficult. The key was to make the link between disease and the ability to generate income/wealth. Many candidates could not make this link and were thus confined to Level 1. Importantly, candidates must be reminded of the need to employ appropriate business and economics concepts and terminology in their responses, rather than opinions and 'man in the street'-type arguments in questions like this. So, reference to earning, employment, productivity, and so on, is clearly rooted in the subject matter of the course. Similarly, candidates are encouraged to use the Evidence as a source for examples to use to illustrate their points. For example, if two thirds of the population of Sierra Leone, 'survive by growing their own crops' (Evidence C), then disease will clearly impact on the ability of such people to climb from poverty. A minority of candidates used the Evidence.

Question 4(a)

This proved to be a straightforward question with a large majority of candidates able to score 2 marks.

Question 4(b)

Following on from 4(a) this question proved to be accessible for foundation candidates. Most were able to score 3 marks or above. The command word 'analyse' was generally acted upon as a cue to explain the effects of unemployment. Some candidates did not offer two effects, and were thus limited to a maximum of 3 marks. Marks were awarded 1+2 for each effect recognised. Once again some candidates did not offer sufficient explanation to achieve the full 2 development marks. Take this example:

"If there is a high unemployment rate in a country this makes taxes higher. This is because the government have to pay them benefits".

This clearly gained 2 marks. The candidate did not need to do too much more, however, to gain the second development mark. So why didn't they do it?

Question 5(a) - Common

Responses here were typically stronger than on some of the other common questions, with most Foundation candidates able to score some marks. The question asked for an example to help explain the term, and this example was essential to achieve full marks. Importantly, candidates did not need to write lots to gain full marks, an observation that applies to every question on the paper. One Foundation candidate secured full marks from the following succinct response:

"Specialisation is when a worker focuses on one main task that he/she is best at, for example focussing on packing bananas will help to increase productivity".

Question 5(b) - Common

Having typically demonstrated a good knowledge of specialisation in 5(a), Foundation candidates found this question requiring the application of such knowledge to a real scenario, much more challenging. Lots of responses focussed on the advantages to the individual worker:

"It gives people the chance to earn a higher wage..."

This highlighted the importance of reading the question thoroughly. Higher candidates fared better, with many able to use concepts of efficiency and productivity in their answers. A pleasing number recognised the impact that specialisation can have on average costs. On the Higher tier we saw some very proficient responses.

Question 5(c) - Common (although wording slightly different)

This question proved to be difficult for Foundation candidates. What we were looking for was some recognition that reliance by a country on a single product, such as bananas, could pose problems in terms of export earnings, or could leave a country vulnerable to supply-side problems, such as poor harvest or disease. It is fair to say that only a small number of Foundation candidates could get to grips with this. Many focussed on either individuals or on companies, without recognising the reference to 'country'. Higher candidates performed better, with some developed, insightful responses.

The question asked candidates to explain two problems. Marks were again awarded 1 + 2.

Question 6(a) - Common

Many candidates scored marks on this question, although a smaller number (mainly on the Higher tier) managed to pick up marks for linking the idea of investment to economic growth. Definitions of investment were rather mixed. For such an important element of any Business/Economics course, it is fair to say that definitions often lacked precision. Some candidates still feel that investment involves buying shares. We feel that centres should ensure that candidates have a thorough grounding in this important aspect, and should be aware that it can involve spending on human capital as well as physical capital. Lots of candidates gained one mark for the definition for a simple recognition that investment involves putting money into a project with the intention of receiving a return at some point in the future.

Making the link to economic growth proved to be a tricky connection for many candidates. What we were more interested in here was a degree of understanding of the process, rather than any technical use of economic terminology. One Foundation candidate, after a good definition, wrote:

"... this leads to economic growth because investing means there will be more machinery and more trained workers, so the output of the country will increase because of this. This is what economic growth means, an increase in output".

Question 6(b) - Common

Candidates here were required to consider this question from the point of view of a country which wants to attract inward investment. Reasons why countries may struggle to attract investment from such firms are the lack of modern infrastructure, low skill levels, poor education, etc. This question was not answered very well on the whole and this in part was due to candidates not recognising what the question was asking for.

Question 7(a)

A large majority of candidates were able to score good marks on this question. Better candidates were able to make the link between education and economic growth very clear. Most focussed on the role that education can play in improving skills and qualifications, and that this can lead to workers getting 'better jobs' and thus improving their earning capacity. A common feature was candidates recognising how education can lead to the training of more doctors and teachers which will help the economy in the longer term. This was sufficient to reach Level 2. Full marks were reserved for candidates who made the link clear.

Question 7(b)(i)

Most candidates were able to score 2 marks for this question.

Question 7(b)(ii)

In light of the way in which this question was phrased, and given the fact that this type of question has been a regular feature of Paper 1F for some years, we were a little disappointed by the general quality of responses here. Previous Examiners' Reports have made it very clear what is required to reach Level 3 in this type of question. Candidates need to explain which of their two methods from 7(b)(i) is most important. To reach Level 3 they must explicitly state why X is more important than Y and in so doing to mention both factors in their answer. This structure has proved successful in leading weaker candidates to providing some form of evaluative response. We feel that with some practise and coaching such candidates could access far more marks than some did on this paper. Whereas most candidates scored 3 marks or more, most did not access the top marks. Once again we feel that this is an issue that centres need to address. For example, a candidate suggests that investing in new roads and health care are the two best methods for improving the standard of living. By explaining how each would impact, the candidate would reach Level 2. A statement such as this, however, would elevate this to Level 3:

"I feel that the best method would be investing in health care as this would improve the ability of people to work. It is no good having a great road system with no workers. Sort out the health first, then the roads..."

The candidate is directly comparing the two and stating why one is better than the other. Again, this is something that can be developed in centres. We feel strongly that foundation candidates can be taught to structure their arguments in this way and would urge centres to prepare their candidates for this type of question, which will continue to feature on the exam. The above is a perfect example of how quantity is not the focus of such questions and how a demonstration of the skills of evaluation can propel candidates into the higher mark ranges.

Question 7(c)

Similar to comments for 7(b)(ii), this is another type of question that requires candidates to carry out some evaluation. In being asked, 'How effective are events such as Live 8?', candidates must expect to offer some balance. *"On the one hand these events are a good idea because... but on the other hand their impact might be less effective because..."* To gain 5 or 6 marks candidates had to provide this type of balance. Such a structure can be seen as being rather formulaic but candidates still have to think for themselves to provide the counter argument. The stimulus material gave plenty of clues as to what the pros and cons of Live 8 might be. Candidates should be encouraged to use the evidence appropriately to help them construct their answer. Whereas most candidates scored some marks, a small number gained 5 or 6 marks.

Question 7(d)

As with 7(c), responses here tended to gain marks, but relatively few candidates scored the top marks. The command word 'Assess' was key to this question. Candidates were required to explain how business can help to reduce poverty in developing countries, by providing investment and jobs, but also to recognise the limitations of this role. Level 3 responses need balance. So, candidates that provided a one-sided account (and most did just this), perhaps explaining how the role of business is always virtuous and an undeniable source of good, were limited to Level 2.

Centres are encouraged to 'build in' evaluation to their course from day one, and not treat this as an exam revision tip to be imparted in May of Year 11. Take any topical business or economics story - there is never a shortage given the nature of our subject - and get candidates to analyse and evaluate it, perhaps as a starter to a lesson. The 'In the News' articles provided by Biz/ed (<http://www.bized.co.uk>) are an excellent source of topical news stories covering both business and economics issues. They can be used in a variety of ways and prove a valuable way of encouraging candidates to be aware of current issues in business and economics.

Paper 2F Foundation - Perspectives

Question 1(a) - Common

There were a number of examples of confusion in understanding here. Many candidates confused 'public sector' with 'public limited companies'. The stimulus material specifically mentioned both public and private sector in an attempt to provide a prompt for candidates. The key to this question was a focus on the ownership, control and finance of business activity along with an example. Many candidates used the Post Office as an example although the status of this organisation is somewhat blurred. If the definition was sound then candidates were given benefit of doubt.

Question 1(b)

In recent exam series, there has been a clear confusion between the terms 'cost' and 'price'. It seemed timely that this should be explicitly asked in an exam. Many candidates highlighted this confusion. This is a fundamental concept in the subject and it is surprising how many candidates failed to offer any appropriate distinction between the two. This might be a reflection of the way in which we use these terms in everyday life and also the extent of the prior knowledge that candidates arrive at our subject with. It is recommended that the fundamental distinction be made clear at an early stage in the course!

Question 1(c)

As with 1(b) above, the understanding of this basic term was lacking in many cases. Most made mention of "*the amount of money you make*" and few were able to articulate the response in a convincing way. The number of candidates using the basic formula for profit - $TR - TC$ was limited and the appropriate use of business and economic terminology was generally poor. Many candidates seemed to be able to give an example ("*if I bought a pen for £1 and sold it for £1.50 I would make a profit of 50p*") but often the understanding demonstrated by the example was not supported by an adequate definition.

This is an example of an excellent answer:

"Profit is net income over fixed and variable costs. If that figure is positive then you have made a profit, if it is negative you have made a loss. To make a profit the net income has to be more than the fixed and variable costs. In the Olympic Games in Sydney they made a profit of £101 million because they generated £101 million more than their fixed and variable costs".

Questions 1(d) and 1(e) are both linked. The aim is to lead candidates into offering some form of evaluation.

Question 1(d)

Most candidates were able to score 2 marks on this question. Errors occurred in some cases where candidates misinterpreted the word 'competitiveness'.

Question 1(e)

Compared to the last two years this second part of this type of question was not done as well. Most candidates managed to score some marks by making a judgement based on the choices made in part 1(d) but failed to offer the direct comparison to access the higher mark range. We have consistently pointed out since introducing this type of question that it would be a feature of future exams and this continues to be the case. It is rather surprising, therefore, that more candidates are not versed in how to tackle this question.

Question 1(f)

One enduring feature of this examination is the persistence of questions on one of the parts of the exam on opportunity cost. This reflects the fundamental importance of this concept to business and economics. However, the number of candidates showing an understanding of this concept is still relatively small. Many have some idea that it means something to do with choice but many think that it means if you make a choice you could have bought something better. Very few mentioned the word 'sacrifice' in their answer. Given the importance of this concept it is disappointing that more candidates are not familiar with it and are able to use it in a variety of contexts.

Question 1(g) - Common

In reality this was a very easy way to access 4 marks - a simple piece of arithmetic and a resulting number would score the full marks. However, many candidates did not do this; some clearly had worked out the answer but did not, as requested, show their workings, some subtracted the various costs for building new schools and hospitals etc. from the cost of putting on the Olympics. Most who did get it right used the cost of super hospitals (which divided into £2.4 billion very conveniently) but there were some candidates who used the other options from the evidence.

Question 1(h) - Common

A question designed to get candidates to look at different perspectives. Most were able to offer some reasoned comments but the major point to note here is that the perspective must be rooted in business and economic understanding rather than just a general knowledge response that might be expected from a person in the street. Some candidates used the evidence to suggest that existing business owners might be less than pleased at having to move out of the area but some countered this by suggesting that it depended on what type of business it was and whether there might be some opportunities opening up for them in moving. If it was not too far the business might still be able to benefit from the regeneration that was occurring and also the influx of people into the area not only for the Games but in the years after when new housing etc. was made available. Such answers received full marks and used the 'it depends' rule effectively.

Most saw benefits to street traders in Oxford Street from the tourism that would come with the Games. Others also pointed out that the Games might bring other traders to the area and thus the street trader might find that there was increased competition. Again, those that offered some balance or made some judgement as to the extent of the effect on street traders were the ones who scored maximum marks.

Some candidates did not make the distinction between shareholders and the business clear in this answer. General references to 'higher profits' was acceptable but those that scored highly were the ones that referred to dividends as a result of the profits that might be generated by such firms. Some candidates picked up on the evidence which referred to the problems faced by Multiplex in building Wembley Stadium. Again, however, the key was in linking this to the shareholders rather than simply the business.

Question 1(i)

It was pleasing that a number of candidates on the Foundation paper managed to offer some assessment of the view. They clearly had an opinion about the staging of the Games and many offered either a spirited defence or argument against the Games. A number used the evidence well to comment on what the money for the Olympics could have been used for. It is important, once again, to remind candidates that the command word 'assess' does mean that they have to offer some balance. A brief conclusion pulling the ideas together would secure full marks. Practice at doing these sorts of questions is imperative from the outset of the course. Contrary to some comments that have been made, we do believe that even the weakest foundation candidate has an opinion about most things and it is a case of harnessing that opinion in written form. The amount of space available is not great - we are not expecting a thesis - simply a demonstration that the assessment objectives are being met. We work on the basis of what you can expect of an average 16 year old with time constraints in what is a pressured time. Teachers can help by exposing them to this sort of question throughout the 2 years of the course and not just in the two weeks prior to the examination when revision is being done.

The following example was from a G grade candidate:

"There was huge money spend towards the Olympics. This would provide people jobs in many areas. This would bring some benefits for people and transport system. The money should be spent on other things like buildings which need refurbishment and schools. This would bring the living standard up to date and people would be happy. I have found that huge money is spent on Olympics so why not spent money other places, such as schools, builtings ect..."

The QWC is poor and the development is limited however the answer does have some balance and there is an attempt at a conclusion. This answer, therefore, meets the assessment objectives being targeted and gained 4 out of 6 marks.

Question 2(a) - Common

Many candidates confused the business cycle with the product life cycle. Once again, these are key concepts in the Specification and it must be stressed that such confusions need to be ironed out at an early stage. In the past candidates have shown confusion between break-even and supply and demand. Those that also demonstrated misunderstanding related the cycle to a business rather than to the economy but were able to use the terms 'recession, boom, growth and slump' for the most part.

Question 2(b) - Common

The evidence gave some clues to help candidates in this answer. If the candidate had misunderstood part 2(a) then they did disadvantage themselves on part 2(b) but one of the advantages of ePen is that examiners do not get to see the two parts together and so are less inclined to double penalise candidates. Many candidates referred to the problems facing B&Q during a recession and then offered the exact opposite for a boom! This was deemed acceptable. However, it does seem that many candidates are under the impression that the economy is either in a recession or a boom but nothing else. Given the fact that most candidates sitting this paper will not have been alive the last time the UK experienced a recession this is rather surprising. Many candidates did not pick upon the fact that B&Q are a DIY store and that their sales might be affected more significantly than, say, a supermarket although some at the high ability end did refer to this. Again, exposure to plenty of real life examples of businesses through the course of the two years is essential for building confidence in candidates in handling concepts in these different contexts. In addition, it is important that candidates are helped to understand the importance of the 'it depends' rule.

Question 2(c)

Many candidates referred to some form of trend in the economy but many assumed that the change in growth from just over 3% to around 1.8% between 2000 and 2001 was a recession. Examiners were looking for some evidence that candidates could actually refer specifically to the data in their answer, for example, "*from 2002 to mid 2003, economic growth rose from around 2.2% to over 3.5%*". Many did not do this but just said "*growth boomed in 2002*" etc. In addition, few candidates seemed to realise that the data on the vertical axis represented a percentage change. This suggests that data reading skills are not being given ample weighting.

Questions 2(d) and 2(e) were linked questions targeting the higher order skills.

Question 2(d)

Again, most candidates were able to offer 2 reasonable factors here.

Question 2(e)

As with the comments on 1(e) there were limitations in the responses to this question. Again, most were able to offer a judgement and offer some development but missed out on the top mark range because they did not make a direct comparison. The following is an example of this. The candidate had chosen "*people spending less*" and "*companies producing less*" as their two factors in 2(d).

"I think it was people spending less because it was a very rapid decline and supply just took over demand and businesses didn't have time to prepare for it this meant that it hit the economy hard. Since less was needed and produced and less people were employed manufacturing those things. This meant that even less people were spending less and more people lost their jobs and it goes in cycle like this".

Question 2(f) - Common

It was anticipated that this question would be accessible to most candidates whatever their ability level but many seemed unsure of their knowledge here. References to job description were often vague and a number confused a person specification with a CV.

Question 2(g)

Many candidates were able to offer a developed response to this question. They were able to see the benefits of an interview for the employer but the vast majority did not seem to appreciate that an interview also provided an opportunity for the employee to get a feel for the place and the people they might be working with.

Question 2(h) - Common

This question was meant to elicit some different perspectives about the labour market from three different types of people in different circumstances. However, it did not work as well as intended; many candidates seemed to find it difficult to be able to offer anything other than a summary of the evidence. Some candidates recognised that Stuart Abraham worked in recruitment and as such might have specific views about the strong job market. Many candidates, overall, seemed to think that falling unemployment meant that it was easier to get jobs rather than the fact that the labour market might become tighter. The position of Kevin Clark highlighted this fact. Most identified the problems faced by those who were unemployed in finding work and used the evidence appropriately in this regard.

Question 2(i)

As with the comments on 1(i), a number of candidates were able to offer some opinions on the idea of increasing benefits to the unemployed. The evidence did offer some suggestion that such a tactic would actually help those unemployed to get a job but many candidates demonstrated a less than sympathetic approach to the unemployed and generally assumed that if you are unemployed you are a scrounger and are lazy happy to live on state benefits. It is obvious from some of the answers that candidates have little understanding of how much JSA actually is and how many people who are unemployed would really prefer not to be! Maybe getting someone who is unemployed to visit the school to talk to candidates about what it is like would be a way of exposing candidates to an alternative perspective from, what seems to be, the prevailing 'Daily Mail interpretation'!

As with 1(i), examiners were looking for some balance and a brief conclusion to access the higher mark range.

Question 3(a) - Common

The vast majority of candidates simply took marketing as being synonymous with advertising. There was rarely any recognition that an important part of marketing is identifying and anticipating consumer needs. Once again, this is a fundamental concept that is clearly not being dealt with effectively.

Question 3(b)

Most candidates could offer two reasons for advertising and were able to offer some development. It is important to work with candidates in exam technique on these types of questions by helping them understand where the 6 marks can be achieved. There is 1 mark each for identifying the reason and then a further 2 marks each for the development. Good development uses appropriate business and economics terms.

Question 3(c)

It was surprising that many candidates failed to offer a clear definition of market segments. Some confused it with market niche but most simply offered some rather vague explanation without nailing down the key point that a segment grouped together people with similar purchasing habits.

Questions 3(d) and 3(e) - linked questions to encourage higher order skills.

Question 3(d)

Most candidates were able to offer 2 appropriate factors.

Question 3(e)

As with other examples above, many candidates failed to offer any direct comparison. The limited space for writing here did not help but there is always the option of additional sheets which some candidates made use of.

Question 3(f) - Common

Most candidates were able to offer a good definition to this question and used their obvious exposure to 'The Apprentice' to provide an example - Alan Sugar. The examiners were looking for the key features of entrepreneurs - skills, initiative, risk taking, flair etc. as being the points that 'ticked the right boxes'.

Question 3(g)

There were a number of interesting interpretations to this question. Many candidates did not come up with the stock answers that might have been expected - being your own boss, taking all the profits etc. Instead there were answers that related to finding the right location, securing the right people to work for you and so on. These were deemed acceptable. There was 1 mark for identifying the objective and a further mark for some simple development with the command word being 'describe'.

Question 3(h) - Common

As with the other overt perspectives questions, most candidates were able to make some offering here. The discriminating factor was the extent to which the candidate was able to explain the perspective in appropriate business and economic terms rather than just a common sense approach. Again, it needs to be stressed to candidates that the provision of some balance within such an answer is to be encouraged. Some candidates did this but others simply paraphrased the evidence and offered little more.

Question 3(i)

Many candidates were able to articulate why the public might need protecting but did not go on to offer an alternative perspective and thereby present some balance to the answer. As with previous comments, this type of skill needs to be practiced regularly during the course.

Paper 3H Higher - Problem Solving

Question 1(b)

Whilst a majority of candidates could pick up marks for their knowledge and understanding of 'income distribution', most of these did not really act upon the command word 'discuss'. Better answers suggested that there might be some positives arising from an unequal distribution of income. This did not have to be a lengthy consideration. One candidate began:

"Some say it is a good thing as it gives people an incentive to work..."

Most candidates considered the negative implications only and as such restricted themselves to Level 2.

Question 3(a)

This question required two distinct problems to be identified. Marks were awarded according to a 1+3 formula, with 3 marks available for the development of a point. Importantly, the problems identified had to arise from high levels of poverty. Some candidates gave suggestions such as, 'a lack of natural resources'. This is clearly not the result of poverty and therefore could not be rewarded.

Responses were often provided in the form of one long paragraph. Candidates should be advised to set out such responses in such a manner that highlights their two distinct suggestions. This may well help them in terms of organising their ideas and not duplicating what they have already written. Lots of candidates scored 4 marks because they did not provide two separate problems.

Question 4

This question proved popular and enabled candidates to demonstrate a good understanding of a topic they seemed confident with. Where marks were not gained this was often due to the response not being focussed on the country, but perhaps on the individual. In general most candidates could identify several effects of unemployment on a country, some choosing to highlight positives as well as the more obvious negatives. We were pleased with the quality of the written work for this question, with answers often structured effectively into paragraphs. Candidates frequently chose to highlight economic and social problems, which was perfectly acceptable. For Level 2 responses examiners were looking for an appropriate use of relevant Business/Economics terminology and were heartened by the regularity of reference to the 'negative multiplier'. More commonly, candidates recognising the impact on economic growth and the opportunity cost for the government as benefit payments increased.

We were encouraged by the general response to this question.

Question 7(a)

On paper this looked to be a challenging question but we were pleasantly surprised by the way in which candidates were able to 'think on their feet' and provide some excellent explanations. Virtually all candidates were able to describe the benefits to a country of education, with many linking this with economic growth and investment. A maximum of 4 marks could be achieved if no reference was made to, 'flexibility and creativity'.

Question 7(b)

Similar to 7(c) on the Foundation paper, this question was designed to encourage candidates to produce a balanced response outlining the relative merits of the role of business in improving the standard of living in developing countries. The command word 'discuss' should have been the cue for candidates to consider different sides of the argument. The mark scheme highlights the positive and negative arguments which candidates may have used.

Too many candidates considered one side of the argument only, this typically being the positive line. In other words, too many candidates did not act upon the command word in the question. This was disappointing. It is worth pointing out that some centres had prepared their candidates thoroughly, if at times in a rather formulaic manner, for this type of question, which has been a feature of the course for many years. Some candidates were penalised by seemingly not knowing that a 'discuss' question should involve some evaluation and building of an argument which hopefully arrives at a conclusion. To get into Level 3 candidates needed to provide:

'... a discussion that offers both sides of the argument and is able to develop the points made in a clear manner'.

The shame here is that some candidates were patently capable enough to produce such a piece of writing, but did not know what was expected of them. This is an issue for the centres and has been highlighted each year in previous Examiners' Reports and at INSET meetings.

Question 7(c)

A straightforward question for candidates on this paper, with most scoring 3 or 4 marks.

Question 7(d)

This question was generally well answered, with many candidates able to offer some evaluation of the role of Live 8 and similar charitable ventures. It is clear that candidates can more readily act upon a question which is phrased, 'To what extent...', than they can to one which asks them to 'discuss'. The key observations from this question are as follows:

- It is in candidates' interests to organise their response into paragraphs - arguments for/arguments against - and to finish with a conclusion which addresses the question. Most do, but a sizeable minority write in one continuous paragraph.

- Candidates should use Business and Economics concepts to tackle any question that is set. Some responses became rather opinionated, unsupported rants which employed no content from the course. It is fair to say that any Year 11 candidate could have a go at this question: they would all have an opinion. It is fair to expect Higher tier candidates to make use of content from the course rather than simple, unsupported, opinion.
- Candidates can gain full marks by writing in the space provided. Indeed, full marks can be achieved by writing less than the available space. Many candidates seem to feel the need to write much more than the available space suggests they need to. In some instances two additional sheets were used. This is too much. Candidates should be encouraged to be as succinct as possible in their extended responses.

Paper 4H Higher - Perspectives

Question 1(b)

The aim of this question was to get candidates to offer some understanding of the distinction between 'price' and 'cost'. The vast majority interpreted the question as looking at sources of finance for the Games despite there being no reference to this in the question or in the evidence. The few that were able to recognise the distinction mentioned that costs refers to the payment for the people, machinery and so on that would go to build the facilities whereas the price would be the amount of money spectators would have to pay to watch. Some mentioned that the price of tickets would be set to try and make a profit and some referred to break-even. This tends to highlight the lack of real understanding of candidates when a question is couched that makes them think!

Question 1(c)

Many candidates were able to identify factors such as price, experience, quality, what their plans for the use of the facilities after the Games etc. as being key factors. The quality of the development was determined by the extent to which candidates were able to use appropriate business and economic terms. Some candidates confused the question to mean what competitive advantage would be gained by a firm after it won the contract. It highlights the importance of stressing the need to read the question carefully.

Question 1(e)

Generally a well answered question. Most were able to recognise two factors and meet the requirements of the question by offering some brief discussion. The use of the term 'discuss' does require some evaluative comment. This is part of an answer given that demonstrates what is required of such a question.

"Also, they would have discussed the uses of the buildings produced for the Olympics after they were over. A big question would be, is it a waste of taxpayers money? Because the uses after the Olympics may be small and cause a loss in money or they could expand the economy and profit the government like in Sydney Olympics".

Question 1(g)

The format of this higher tariff question has remained the same for the whole of the time this examination has been running. It is finally getting through to most centres that candidates can be prepared in terms of guiding them to providing an appropriate structure to the answer. It seems that many more are offering a balanced response and attempting to draw together their comments with a conclusion. This is likely (assuming it does shave some appropriate business and economics content) to get the candidate into, at least the top of level , and very possibly into Level 3.

As with the comments made in 3H, making the point clear through good paragraph structure will be of benefit to candidates in providing an answer that meets the assessment objectives. It should also be noted, as was the case with 3H that we are not expecting candidates to write more than the available space permits. It is not necessary to get maximum marks to write extensively; quality of argument and attention to the assessment objectives should be the things stressed to candidates.

Question 2(c)

This question was divided into two parts, one being a requirement to describe the trends and the other to offering some form of explanation for the trends. Many candidates were able to make some effort at the former but did not address the latter. The interpretation of the data suffered some of the same weaknesses as described on the similar question on the Foundation paper. Many candidates appeared to have little idea of what has been happening in the UK economy over the past few years. Those that did were able to mention changes in interest rates, taxation and spending as being possible reasons. Such responses were given credit. We would not expect candidates to have any in depth knowledge of the UK economy but it is expected that candidates should have some idea of changes in the economy over the past 5 - 10 years at a basic level.

Question 2(e)

A useful question that provided a range of responses. There was a far greater incidence of candidates who provided some form of evaluative comment in the answer. Most felt interviews were useful in enabling a prospective employer from seeing a potential employee face to face. Those that secured the marks in the higher range commented that interviews did have limitations, that it depended on the type of job and that other forms of selection might be more appropriate - some even mentioned psychometric testing! Some also commented that the interview process can be long and expensive and that there might be other ways in which employees could be selected.

Question 2(g)

Similar comments about structure and approach apply to this question as in the comments made on 1(g). The main content issues here were that candidates confused taxes and benefits; many assumed they were the same thing and focused the main part of their answer on how lowering benefits would force people to go and get a job. Again, the understanding seems to be that unemployed people do not want jobs rather than find difficulties for all sorts of reasons in getting jobs. Few, if any, made any comment related to the 'it depends' rule; it depends on the extent to which governments reduce taxes, it depends what type of unemployment is predominant, it depends how bad the unemployment situation is and so on.

Many candidates also assumed that if taxes were reduced then of necessity government revenue would fall and so benefits would have to be reduced! Again, the lack of realism in understanding is evident and something that perhaps ought to be addressed in lessons.

Question 3(b)

A question that proved highly accessible and which was generally well answered. Many candidates scored 3 or 4 marks on this question. This was an example of a particularly insightful response:

"A benefit of Internet advertisement is cost to consumer ratio. This is where the cost is fixed but the amount of possible consumers to see it is greater than any other method. This is because anyone with a computer could see the advert rather than a poster only to those who pass by that spot in the area".

Question 3(c)

As with the Foundation tier the number of candidates who did not have a clear understanding of the meaning of market segments was surprising. Many did mention 'young people', 'teenagers' and some used the evidence to identify people over 32. However, there was no recognition that these groups had any sort of common purchasing habits that characterised them. Most candidates suggested advertising as the key way of targeting the groups identified with most suggesting that the use of recent pop tunes was the way to capture interest of the young whilst "*songs from the 1980s*" was the way of capturing "*old people*"!

Question 3(e)

As with a similar type of question on other parts of this paper, the aim here was to get candidates to make some form of supported judgement. Most seemed to understand the importance of risk taking to business but many failed to recognise the assessment objectives being targeted and did not offer the evaluative comment that was expected. Some did point out that some businesses would seek to minimise risk by sound market research, some did comment that having a good product was important and having a good product would reduce the importance of risk. Such answers did achieve full marks.

In recent years we have asked a number of questions in this format - how important is advertising to the success of a business? How important is cash-flow to the success of a business? etc. Again, it would be hoped that centres will expose candidates to such questions and to help guide them about the expectations of such a question and the assessment objectives being targeted.

Question 3(g)

Similar comments regarding the structure of answers again applies to this high tariff question. Most candidates, in terms of content, were able to provide an argument in favour of regulation of companies like Jamster and an encouraging number were able to offer a balance to the argument. Most recognised that Jamster, had, in fact, provided the warnings to users and were not, strictly, breaking the law. Some candidates managed to draw the conclusion that perhaps the spirit of Jamster's advertising was not totally ethical and suggested that small print is all very well but perhaps it was a little disingenuous if even adults could not read or understand it!

Paper 05 - the Portfolio

Once again it is pleasing to report that it is evident that the vast majority of centres' candidates have enhanced the quality of their investigations, because centres have taken on board recommendations from previous moderator reports, INSET and network meetings. This constant fine-tuning has resulted in some very high quality investigations, which obviously satisfy the Level 4 assessment criteria, but the key aspect is that the seemingly insurmountable constraint of the word limit of 1000 words is no longer an issue. In fact, the quality of the investigations that some candidates are producing would merit worthy marks on equivalent Key Stage 5 courses and the skills shown and methodology employed augurs well for the future both in further education and the world of work.

May I reiterate the assessment criteria and impress how they need to be interpreted for there are some centres who are annotating candidates' work with AO1 for example but the skill reference has no application to the specific context.

AO1 Knowledge Level 4 criterion states *"...has demonstrated detailed, accurate and wide-ranging knowledge and understanding relevant to the question or hypothesis in a fully integrated way"*. Firstly, candidates must have a question or hypothesis. Sometimes this is not evident as there are not always title pages or any sign of any question or there might be a general title such as "Business Plan for Product/Service X" or "The European Union". It is vital, therefore, that each question/hypothesis is specific with a tight focus. For example, instead of an investigation on the European Union, many candidates chose to investigate the impact of the euro on a specific aspect of the Business/Economic world of their locality i.e. "Would the euro be good for firm Y in my town?"

It is somewhat disconcerting that, despite the contemporary thrust of the Nuffield ethos and the seemingly 'dead in the water' issue of our adopting the Euro, that many centres are still using this as a whole cohort investigation. Another issue to be resolved is how can candidates demonstrate 'wide-ranging' knowledge? This seems at odds with meeting the word limit of 1000 words. Firstly, the knowledge and understanding must be relevant to the question/hypothesis. Therefore, a tightly focussed question will hopefully address this issue. Secondly, good candidates/centres have shown tremendous skills of selection and knowledge by creating their own appendices. Included in these are relevant theories and key words fully explained and therefore demonstrating that they have accessed the Level 4 indicator but, crucially, such examples are cross-referenced either numerically or alphabetically to the main body of the investigation.

It is also the case that the piece might need to be read as a whole and some impression of whether the candidate has grasped the topic concerned instead of looking to reward incidences of key terms being used. In general, most teachers should be able to read a piece and conclude that, yes, this candidate does know what they are talking about or not as the case may be. This approach coupled with appropriate use of appendices is sufficient to be able to decide on appropriate levels for AO1 and 2 as a rule.

The Level 4 indicator for AO2 Application requires candidates to demonstrate the following: - to have *"drawn together relevant terms, concepts, theories and methods, integrated them and used them to address problems and issues creatively"*. Candidates were successful in accessing this level by having a tightly focussed question/hypothesis and using this to display how well they understood the subject matter of their investigation by displaying relevant examples but also by using the

evidence from their own research to reinforce this knowledge and understanding. By integrating their own findings with the theory they thus addressed the problems creatively.

The Level 4 criterion for A03 Analysis requires candidates to be able to *“demonstrate selection, organisation, and interpretation with great skill”* and to be able to *“use a wide range of appropriate sources to conduct in-depth analysis”*. The Level 3 criterion for Analysis requires candidates to conduct *“meaningful analysis”*. Far too often candidates have been taught correct research methodology but end up by just carrying out the methodology with the result that the analysis is not meaningful to the investigation.

When candidates conduct surveys, they need to be clear on why they have asked a question. How do their questions link with the relevant concepts and theories that are integral to their investigation? The impression gleaned is that candidates feel it is vital to include some form of questionnaire, produce graphs and/or pie charts and then to talk about their findings in general terms with little or no value added being made whatsoever by so doing. The better candidates justify the questions asked by showing the links to the relevant concepts and theories and by including their rationale in the appendices and by referring to each question’s validity in the analysis of their findings.

A key point to make with regard to what constitutes a ‘wide range’ of sources is that the sources used must be ‘appropriate’. Therefore, there is no golden number of sources to be used to access Level 4. Neither is there any necessity for candidates to use both primary and secondary sources. In fact, by candidates feeling that it is essential to include primary investigation, there is a negative impact on investigations chosen and it is apparent that candidates are constrained. The nature of the investigation will determine the ‘appropriateness’ of the source. A concluding point to be made is that analysis in the better investigations is systematic and detailed, but the key point to reiterate is that, if candidates exceed the word limit and it is obvious that this is the case, then they can not access Level 4 Analysis and bearing in mind that the Level 4 criteria for Knowledge and Application require integration, then this might well impact on candidates’ ability to access these levels too.

The Level 4 criterion of A04 Evaluation requires candidates to demonstrate a *“high level of evaluation with precision in thought processes leading to logical, balanced and creative conclusions”*. The better candidates produce evidence of evaluation throughout their investigation as well as a concluding section laden with their own judgments based on well-founded evidence resulting from their research. I feel it necessary to remind some centres that candidates are to be rewarded for the evaluation of their findings that relate to the question/hypothesis posed i.e. on the ‘product’ of their efforts. Far too often, and disappointingly so, candidates are being rewarded for making comments on the good points and weak points of doing their investigation i.e. commenting on the ‘process’ of investigation. There is very little if any validity in such comments. Phrases such as *“I should have asked more people to get better results and I would do so if I were to do this again”* do not merit any marks for evaluation. All they do is to confirm gaps in the other assessment objectives especially analysis. If candidates do comment on the process of research ensure that they include such information in their appendices, thus freeing up words in the investigation and increasing their opportunity for making more meaningful analysis.

Far too many centres are far too generous with the marks awarded for Quality of Written Communication. For a candidates to access a Level 3 performance, (s)he must produce *“very good to excellent written communication”* and later on it states *“and in a form that is completely suitable to purpose”*. The written communication must include relevant Business and Economic terminology for the investigation in question. The level of performance must reflect the range of

terminology included in the candidate's work. Generally speaking, there is a correlation between quality of outcome of the investigation and the performance of candidates with regard to quality of written communication. Candidates, in order to access Level 3 performance must not only have almost faultless spelling etc. but also to be able to incorporate a wide range of Business and Economic terminology with some facility.

The following general comments and observations can be made from this year's cohort's investigations.

There was a full range of marks achieved by candidates yet again. The quality of work of many candidates was absolutely outstanding and they and their teachers are to be congratulated. They were successful along with many others because their investigations are deep, local and immediate. This is important, i.e. that they have investigated contemporary Business or Economic issues, because it is evident that some centres are producing the same investigations year in year out and there tends to be a lack of creativity amongst other omissions in the candidates work. The Nuffield ethos is one of enquiry and investigation and tried and trusted investigations e.g. "Should Terminal 5 be built or should a new By Pass be built?" are rather passé now that final decisions have been made.

The very essence of this subject is the dynamic and varied nature of the subject matter. In some cases, reading through some coursework submission it would appear that nothing of any note has happened in the past two years of the course! Where candidates exhibit a keen interest in events that are happening now, such enthusiasm flows through into their investigations with the appropriate rewards for them. One disconcerting downside is that many centres are completing only two investigations throughout the course. Although this is all that is theoretically required, it is not truly in the spirit of Nuffield and one would hope that in the future centres would use the portfolio as a means of delivering some of the syllabus.

It is important to stress again that the strongest, more rounded investigations had a tight, specific question or hypothesis and, where appropriate, they incorporated both primary and secondary research that was relevant (note the fact that primary research is NOT essential - only when appropriate to the title). Informed and appropriate conclusions were made and there was wide-ranging and well-applied knowledge and understanding. Investigations of a descriptive nature did not allow candidates to access all assessment levels and, very often, good candidates were constrained by a poorly designed question. What was a feature of some candidates work was that, where certain investigations were chosen e.g. "should school X merge with school Y?", the costs/benefits of EU membership or anything to do with the environment, then there was too much political, sociological and ecological arguments put forward and not Business or Economic. Very few, if any candidates could translate such arguments into quantifiable statistics.

As has been pointed out on many occasions, questions that start with:

How does business X compete...?

What are the main factors that allow business X to compete...?

Should Business X do....

are likely to lead to responses that are simply descriptive and do not guide candidates to the evaluation that is required.

Instead, these questions can be easily tweaked to become:

What is the most important fact that allows Business X to compete...?

What is the most important factor that allows business X to compete with...?

To what extent should business X...?

In such cases the requirement to focus on a small number of key factors, to identify their relative importance and then to arrive at some informed conclusion is more obvious.

Quite rightly, many candidates sought to find out what business would be successful in their locality. However, simply offering a business plan based around 'made up' information usually does not lead to a tightly focused piece of work and in most cases the word limit is greatly exceeded. Many focussed on a specific aspect of the topic and researched in depth to find accurate and worthwhile evidence from their market research or looked at the financial aspects of their project by finding specific, real costs and potential revenues and then researched the best way to finance their business from the wide range available from the market place. Accurate financial predictions could then be made using such tools as cash flow forecasts and break-even charts inter alia.

These candidates were highly rewarded and deservedly so. Those candidates who had been left a large sum of money by a dead grandparent or who happened to have spare cash from their savings and thus felt they did not need to research sources of finance fell short of the high standard set by others. Several candidates used inappropriate costs/revenues that bore no semblance to reality. What seemed a feasible business proposition lacked any real development because of the 'fairy tale' financial data. A few centres use Young Enterprise as their Business Plan. Of course, centres are to be encouraged to be part of such worthy schemes. Candidates and teachers must realise that such projects need to be adjusted to take out any artificial elements e.g. the fact that there is inelastic demand from a captive market and that costs are lower than would normally be the case because imputed costs for rent and electricity have not been assessed. Young Enterprise is a superb base from which to develop a potential first class investigation.

As a general rule, the use of a 'business plan' for coursework is not something that should be encouraged. The word limit is too tight and many candidates feel a need to incorporate so many different aspects of a business, marketing, accounts and finance and so on. Inevitably, the work tends to be a rambling descriptive offering that does not meet the assessment objectives.

The strongest candidates always include accurate bibliographies and webographies with resource used, author, date etc. but also specific reference to page number as well. It helps to assess the validity of AO3 Analysis if this is done. In addition too many candidates are just printing off secondary research downloaded from the Internet with no evidence provided to show what material has been used for their investigation. It is quite clear that candidates need guidance on how to produce bibliographies/webographies and appendices from their teachers.

There are several points that need to be made to ensure that difficulties relating to assessment are resolved. This, in reality, only affects a few centres because, for most, assessment is accurate and consistent, albeit several centres are rather generous and need to refer to the E9 report's comments so that future adjustment can be made. The biggest problem is that too often all candidates use the same investigative formula. This works well if it is open ended and allows candidates ownership of their investigation. However, quite often the investigation is far too prescriptive and teacher-led which tends to result in clustering towards the middle mark range and

disables many candidates from the higher assessment levels. There is limited differentiation despite there quite obviously being a wide ability range.

The better centres have developed good feedback techniques and practices for their candidates and candidates are in no doubt as to where their weaknesses are. There is excellent teacher commentary showing where the assessment criteria have been met. Comments made by teachers to candidates or to external moderators are essential in getting a 'feel' for the centre and to allow us to be proactive in the comments we make. Some centres are to be commended on providing the moderator with the investigations titles conducted on a separate sheet of paper and also any guidance sheets provided for their candidates. This, again, facilitates our work.

However, the following points need to be addressed by some centres.

- Some centres are still using the old PACS. The ICRS forms need to be photocopied and can be found on page 56 of the Specification or is available from the Edexcel Web site (<http://www.edexcel.org.uk>).
- Candidates are required to produce one investigation from Units 1-3, and one from Units 4-6. Please refer to the section on Structure on page 21 of the Specification.
- There are addition and transcription errors. The ICRS and Optems marks do not match and some centres are adding QWC marks to both investigations. Please be vigilant in ensuring this does not reoccur as it results in long delays.
- Please refer to page 25 of the Specification in the section titled "Marking and moderation of the portfolio" with regard to sending the portfolio to the moderator and once again we just want the candidates' work not every questionnaire and internet printout and company report. Verification by the teacher of candidates having used all the vast range of evidence is sufficient.
- Please submit candidates' work in a plain manila folder only - not polypockets or bulky and heavy ring binders. Some centres are extremely well organised with respect to this - it makes the process of accessing and moderating candidates' work easier and far more efficient.

The key way to ensure that our candidates improve their performance and outcome with regard to the portfolio is to take on board not only this summary but, more importantly, the individual centre's E9. Given that some centres appear to make the same mistakes year after year despite the feedback given is worrying and is potentially damaging the prospects of candidates.

1171 Statistics

Option 1 - Foundation tier papers (1F & 2F) and portfolio (05)

Grade	Max Mark	C	D	E	F	G
Grade boundaries	100	46	40	34	28	22

Option 2 - Higher tier papers (3H & 4H) and portfolio (05)

Grade	Max Mark	A*	A	B	C	D	E
Grade boundaries	100	71	63	55	48	40	36

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