

GCSE

Edexcel GCSE

Business Studies (1503)

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Examiners' Report

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1503/01-02- Written Paper (Foundation and Higher)

General Comments

The subject of the context did not appear to cause the majority of candidates any problems. However some candidates did not seem to have prepared sufficiently well with the context which meant they failed to apply some of their answers. Particularly in relation to the EPP's distribution centre and the reference to this centre acting as a wholesaler.

There are candidates who are still failing to read questions carefully enough. It is perhaps worth mentioning again in this report that candidates are advised to note the buzz words in questions - explain, analyse, discuss, why suggest and compare etc. Apart from give, identify, list, name and state, it is expected candidates will produce expanded answers otherwise they are unable to gain the higher levels and therefore maximum marks.

It was pleasing to see that there was hardly any text language this year.

Candidates are advised to produce some kind of plan to assist them in those questions requiring extended writing. Some of those candidates who did produce a plan gave excellent, well-thought through answers.

These papers are marked on line and whilst candidates should be reminded to write in black pen and not to write outside of the boxes on the papers, they are failing to follow these instructions. This means their writing is very faint which together with poor handwriting, makes some responses practically illegible.

Some candidates noted on their scripts that they had no calculator which meant they could not complete the ratio calculation. Centres should not that calculators are allowed to be used as indicated on the front cover of each paper.

Foundation Paper

Question 1

a)(i)-(v) parts (iv) and (v) caused most difficulty.

b)(i)-(v) Cash flow was probably the question which produced the most correct answers with most candidates understanding the concept of money in and money out. Job production and just in time were not that well done.

c)(iv)-(vi) All of these parts were quite well done. Most candidates could suggest in (v) how the manager might advertise films but in some cases candidates went on in (vi) to suggest more advertising methods. Many candidates though did suggest different ways of promotion.

Question 2

a)(i) Generally well done with most candidates gaining marks. However some candidates confused induction training and job offer, placing training before job offer.

a)(ii)-(iii) The topic of recruitment and selection is obviously well understood by many candidates who demonstrated sound knowledge and application. Some excellent responses seen.

b) Some candidates' knowledge of training is misguided in that they think that employees will not get paid whilst undergoing training. However many candidates understood employees can work while training, EPP can train employees the way they want, employees can learn new skills alongside their work colleagues and that off-the-job training can be more expensive than on-the-job.

Question 3

a) Better answers seen were by those candidates who took each objective in turn and clearly explained how EPP might try to achieve it. At the lower end there was sometimes confusion and repetition between profit and increasing sales.

b)(i)-(ii) Many candidates knew what a shareholder was and understood the risk aspect related to limited liability. In (ii) many candidates demonstrated lack of depth of knowledge. They failed to go beyond level 2 because they had not made judgement(s). When a question starts with 'why' it means some judgements are required.

c)(i)-(ii) Many candidates showed a clear understanding of the key components of a balance sheet and could calculate the missing figures but 25% could not. This proved to be one of the most difficult questions on this paper.

Many candidates used the formula and calculated the ROCE but despite having been given the ROCE formula, many could not. The most common errors were to omit the % sign, fail to calculate as a percentage or put the figure as an amount in £. Could centres encourage candidates to calculate to 2 decimal places as there were some issues with this and also show all workings. Some candidates noted they had no calculators so could not complete the calculation. Those who showed their workings could gain one mark.

c)(iii)-(iv) This was not particularly well done by many candidates who offered very vague answers usually on the basis of whether the ratio was high or low. Some candidates did know it could be compared with previous years to see whether the ratio had improved or deteriorated. (iv) was done much better with the majority of candidates suggesting shareholders might sell their shares.

Question 4/ Question 1

a)(i)-(ii) Many candidates still do not know what economies of scale are with much confusion between purchasing and financial economies. There was some repetition between (i) and (ii) with some candidates repeating cheaper to buy in bulk. Managerial economies tended to be 'more efficient or specialised management'. Financial tended to consist in the main of 'they can borrow money from banks at cheaper rates' with no expansion on the benefits of any of the economies. Quite a number of candidates left these questions blank which together with 3(c) proved to be one of the most difficult on the paper.

b)(i) Some candidates wrote about the implications of communication problems rather than the problems themselves. In particular the impact on the motivation of employees rather than the physical barrier. Many candidates wrote about the language and distance barriers with those better answers discussing the hierarchy and the problems EPP could have as a large organisation.
(ii) Some candidates discussed every motivation theory they could think of without relating anything to EPP but generally it was well answered with candidates quoting from Maslow and Herzberg in the main.

Question 5/ Question 2

a)(i)-(ii) There was a lot of confusion about EPP acting as a wholesaler with candidates assuming that this meant EPP would have no delivery or product costs or pay tax. When candidates did understand about wholesalers their main responses were an ability to buy in bulk and therefore cheaper, transport costs cheaper and storage for cinemas not required. Once again statistics show candidates found this question difficult which is surprising as wholesaling was mentioned in the pre-issued material.

b)(i) The price element was answered very well with mention of appropriate pricing strategies. The place element was not done as well. Some candidates included all of the four Ps because they had not read the question carefully enough.

(ii) Hardly any candidates considered the size of the market as a whole or that by increasing the product range this would spread the risk or ultimately increase sales/market share. Some gave ways of extending the product range but failed to offer sound judgements as to why EPP does this.

Question 3

a)(i)-(ii) Some candidates could give two current assets but were confused as to the uses of working capital. Statistics show these questions caused candidates' difficulty with 25% getting no marks.

(iii) Most candidates knew that retained profits could be used for expansion or pay off debts. The better answers seen went on to discuss there would be no need to borrow with therefore no interest to pay. Some candidates who clearly understood did not go on to analyse sufficiently.

(iv)-(v) Statistics show that 25% of candidates got the ROCE calculation correct. The most common errors were to omit the % sign, fail to calculate as a percentage or put the figure as an amount in £. (v) was not well done as it was obvious many candidates did not understand the relevance of ROCE. Once again statistics show this was a difficult question for candidates with 50% getting no marks.

(b) This was reasonably well done with many candidates analysing the benefits of using ratio analysis to see how efficient the business had been and if action needed to be taken to rectify any issue. Many candidates gave various types of ratios used in business which helped them clarify their answers.

Question 4

a) The majority of candidates concentrated on local media reaching the local population with not many suggesting the cinema might put notices up in the cinema itself. Many candidates gave a list of methods with no expansion so limited the marks they could achieve.

(b) This was answered well on the whole with candidates considering their answers and reaching level 3. The majority of responses focused on the cost implications of training.

(c)(i) The majority of candidates managed to gain full marks.

(ii) Candidates have a good knowledge of motivation and some excellent answers were seen. There was much evidence of balanced arguments quoting from the main theorists - Maslow and Herzberg - which gained full marks. Those who had never heard of the theories floundered despite the fact that a knowledge of the theory was not vital in order to produce a good answer.

Question 5

a) There were lots of answers that simply listed characteristics of a plc. Those candidates who could discuss the characteristics of a plc were sometimes unable to then relate these to whether plc status would help EPP achieve its objective of expansion which was the second part of the question. Many candidates gave one of the main characteristics of a plc as unlimited liability or where they discussed limited liability failed to discuss the risk element. There was also confusion between plc and ltd. The majority of candidates discussed raising capital through shares and not much else. Very few candidates reached level 3 because they gave a predominantly descriptive answer with few judgements.

Some candidates are confusing plc with the public sector.

(b) Some candidates did not structure their responses well and the results were very poorly constructed responses with little relevant content. As already mentioned a answer plan would help. Some candidates failed to answer the second part of the question with many simply repeating the question and explaining the objectives themselves without actually suggesting how they could be judged to be achieved. Other candidates often gave their opinion as to whether objectives had been achieved but did not explain how this could be judged to be so.

The most common responses for expansion consisted of the number of employees employed or if any new cinemas had been built. Culture and environment involved asking staff via questionnaires whether they had complaints and looking to see whether the number and type of complaints had increased from the previous year. Too many candidates said they would give questionnaires to customers to see whether they had been discriminated against which was moving away from the question. Improve customer satisfaction involved in the main questionnaires and surveys to gauge customer opinion.

1503/03 – Business Studies Coursework

General Comments

There was a further improvement in the performance of candidates in this series. Candidates who had undertaken research into a problem and demonstrated clear thinking presented work of a high standard. Candidates achieved across the full range of available marks. The use of ICT was almost 100%. Some candidates continue to submit coursework that contains too much extraneous material that is often also poorly presented.

The marketing assignment remains most popular with communication again taking second place. Centres that submitted coursework relating to finance and franchises again fell. Centres submitting the finance piece again experienced difficulty in assessing AO3 and AO4. Candidates generally performed well against AO1, AO2 and some aspects of AO3 but did not generally do as well against AO4 where evidence of effective evaluation is often difficult to find due to a lack of comment, judgement and conclusion. Where this occurs it is often because candidates are not making use of the work they have done towards AO1 to AO3. Too often candidates carry out suitable research and then do not make judgements on what they have found.

The best candidates have a clear structure to their work. One benefit of such a structure is an action plan with appropriate deadlines and evidence that this has been a working document. A few Centres are providing candidates with a structure that is considered to be too tight. One Centre made use of writing frames and this can limit access to the Assessment Objectives for candidates. In a similar vein there was an increase in a theoretical approach with an over-reliance on textbooks and/or the internet. In such cases access to AO3 and AO4 may well prove difficult. A small number of candidates continue to have action plans which bear little or no relation to the coursework submitted.

There remains evidence that some Centres are not undertaking effective internal standardisation procedures. Where there is more than one teacher internal standardisation must take place. Centres that demonstrated good practice in this area had indicated either on the Record Sheet or the OPTEMS the work that marks had been standardised.

Annotation improved this year. Centres are politely reminded that the best practice is to have annotation at the point of award. There remain a few criteria which can be awarded throughout and these should be placed at the beginning of the coursework. A number of Record Sheets did not match the annotation in the coursework.

The number of incorrectly completed Record Sheet was similar to last year. Authentication was generally good and Centres are reminded that this should either be indicated on the Record Sheet or by using the form that can be downloaded from the Edexcel website. Centres that do not provide proper authentication will receive an E6 requesting it. Centres not annotating coursework will have it returned by their moderator for annotation. Errors in the transfer of marks to the OPTEMS remain and this is often to the detriment of the candidate. Centres are reminded that it is their responsibility to inform Edexcel if their

original marks are not correct. Centres will be informed if this is necessary by their moderator.

The majority of coursework continues to make good use of ICT. The main software remains word processing and spreadsheets. Some candidates made effective use of databases, DTP and in a few cases PowerPoint. The submission of lengthy pieces of coursework continues to fall, although it remains an issue for some Centres. Such Centres appear to encourage candidates to include in their coursework every piece of preparatory work they have undertaken - this is not necessary; nor is it necessary to include every completed questionnaire.

Assistant Moderators generally reported very few problems, other than those already mentioned above. A few 'niggles' remain:

- Each page of the coursework is submitted in a plastic wallet - the moderation team would be happy if all work came with a treasury tag attaching the pages.
- The non-inclusion of the highest and lowest marked candidates where these are not part of the indicated sample.

Some candidates still submit work of a purely descriptive nature which makes it virtually impossible to access AO3 and AO4.

The majority of Centres carried out their administration efficiently. A few Centres still do not double the raw score or the QWC marks (four) to give a total mark out of 76. Centres continue to make transcription errors when entering marks on the OPTEMS. Where these are seen they are corrected and the Centre is informed.

Centres are thanked for their continuing monitoring of the use of photocopied material and Internet resources. This problem was slightly greater this year. Centres should remind candidates that all Moderators are teachers of this specification and are aware of most of the sources that candidates can access.

This report again concludes with a section that indicates the nature of the criteria and highlights those criteria that are often incorrectly awarded or not awarded at all. No excuse is made for its repetition. The criteria included are there for the simple reason that most Moderators have referred to some or all of them in their post-moderation reports.

- 1.2 Candidates are **simply** asked to list their sources of knowledge - this could be in the form of an information log. It remains surprising that even some of the best candidates fail to gain this simple criterion. A bibliography on its own is insufficient as that is only one source ie texts. The other three are people, organisations and electronic. The candidate who writes:

Ms A N Other, my Business Studies teacher (*people*)
Understanding Business by R Branson (*text*)
Tesco plc (*organisation*)
<http://www.bized> (*electronic*)

will have covered all four sources and **identified** each.

- 1.3 This award can only be for **business** and not personal aims/objectives - the latter continues to be incorrectly given by Some Centres.
- 1.6 Where the word **consider** appears in the criteria (1.6, 1.7, 2.4, 3.6, 4.4, 4.6) it is expected that candidates will show that they have thought tates or describes an influence is insufficient for this award.
- 1.8 Candidates are expected to demonstrate **sound** knowledge or to show that they recognise relationships within the subject content.
- 1.9 When this is awarded it is the **critical** element that must be present. If it is awarded for *make comparisons* then actual comparisons of two pieces of knowledge is required and not a separate description of each piece.
- 2.3 These remain easy marks - candidates simply have to state what they are going to do and if they indicate their deadlines then 2.6 can be given.
- 2.7 This criterion requires candidates to do three things: (i) recognise strengths (ii) recognise differences and then (iii) make decisions. Usually it is (iii) that is absent. Each of these things has to appear twice.
- 3.4 This criterion continues to be under-awarded as does 3.5 in the work of many candidates.
- 3.7 There must be clear evidence of the system that the candidate has used to gather their information from a wide range of sources. Often awarded when 1.2 has not been awarded - this is impossible. A list of four sources with no system evidenced is insufficient evidence for this award.
- 3.9 The report or presentation should be in a recognisable business format.
- 4.5 Still rarely correctly awarded. There must be evidence of (i) the facts, (ii) the opinions from which candidates will (iii) draw limited conclusions. This series has more Centres clearly understanding the requirements for this criterion and correctly awarding it.
- 4.7 Whilst outcomes are given and evaluated possible improvements are usually missing: again note the plural.
- 4.8 To achieve this award candidates have to do **three** separate things. They must (i) produce the detailed evaluations, which must contain (ii) suggestions for improvements and such suggestions, must be (iii) justified.
- 4.9 The effects, whether financial, social or environmental must be linked to the candidates' suggestions.

1503 Statistics

Written paper 1 - Foundation Tier

Grade	Max. Mark	C	D	E	F	G
Raw boundary mark	105	48	39	30	21	12

Written paper 2 - Higher Tier

Grade	Max. Mark	A*	A	B	C	D
Raw boundary mark	105	72	63	54	46	35

Coursework paper 3

Grade	Max. Mark	A*	A	B	C	D	E	F	G
Raw boundary mark	76	69	59	49	40	32	24	16	8

Notes

Maximum Mark (Raw): the mark corresponding to the sum total of the marks shown on the mark scheme.

Boundary mark: the minimum mark required by a candidate to qualify for a given grade.

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