

Examiners' Report Summer 2009

GCSE

GCSE Business Studies (1503)

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Principal Examiner Report Summer 2009

GCSE Business Studies 1503/01 and 1503/02 (Foundation and Higher Tier)

General Comments

It appears that a number of candidates experienced problems with the context for these papers.

There was evidence to suggest that in this series not all candidates had fully understood the nature of B & R Engineering as a business. Many candidates did not appreciate that B & R Engineering were in the secondary sector and believed it to be in the tertiary sector (specifically retail) and where this happened it did impact on responses to some questions. Whilst it is recognised that previous context, for example hotels and dentistry, may have been more accessible, this specification concerns itself with all sectors of industry. For some candidates there was a lack of understanding of what a manufacturing company did and confusion of B & R Engineering's place in the chain of production. A number of candidates appeared to believe that B & R Engineering sold components whilst a smaller number thought they sold cars.

There was a feeling amongst some examiners that some candidates had not made sufficient use of the context and because of this they relied upon generalised responses that may have gained them some AO1 and AO2 marks but was not sufficient to access the AO3 and AO4 marks. The level of basic business knowledge seen in many responses supported this feeling. Candidates were not always clear about the different types of production, job, batch and flow, what CAD and CAM are and TQM, and, most surprising of all, aspects of marketing.

There were a number of responses seen that basically re-worded the stem and question to give a response to a question and the use of generalised responses that did not reflect the question that had been asked.

Where candidates had researched and used the context there were many sound responses that gave those candidates access to AO3 and AO4 marks.

Centres are reminded that the context for the 2010 papers will be published on the Edexcel website towards the end of October 2009 and that it is no longer sent as hard copy to Centres. Business Studies staff may wish to make their Examinations Officer aware of this date so that it can be retrieved electronically and made available to candidates at the earliest possible moment.

This paper is marked using the online 'ePEN' system. Centres are asked, as far as they can, to ensure that candidates use black biros when writing their responses. There were a large number of scripts that contained attached paper and these are marked manually. Centres are asked to encourage their candidates to answer within the space available on the question paper. The number of lines is carefully calculated and, for the majority of candidates, these should be sufficient for all responses. There are a few exceptions, for example candidates with very large

writing but these are a small minority. Centres may also be interested to know that when there are attachments, they rarely add more than one or two marks to the final total.

1503/01 - Foundation Paper

- Q1(a)(i-v) Generally responses were sound although (v) was not well answered.
- Q1(b)(i) Most candidates were capable of gaining this mark but there were some who thought that a bonus was always included in a salary or a wage. Many candidates gave a seasonal response, ie a sum of additional money that was given at Christmas and others quoted examples of businesses that gave types of bonus such as the John Lewis Partnership. Some candidates confused a bonus with overtime payments or a payment linked to promotion. Many responses were poorly expressed.
- Q1(b)(ii) The question required an 'example' of a start-up cost. This was a question where a clearer reading by some candidates would have led to an improved response. A number of candidates just gave a sum of money that ranged from £2 to £150,000. Such responses were not deemed worthy of a mark. Some candidates gave a definition of start-up costs, but this was not the question that had been asked.
- Q1(b)(iii) This was well answered with the majority of candidates knowing what an invoice was. A number of candidates used the word 'transaction' in their responses but this was sometimes poorly expressed and explained. In one example what the candidate wrote could have been equally applied to a credit note, an invoice or a statement of account. It is good to see such terms being used by candidates but they must use the term in such a way that there is no ambiguity.
- Q1(b)(iv) A surprising number of candidates thought that 'plc' stood for private limited company whilst there were a few that came up with ingenious phrases - the best of which was 'planned living consultant'. The majority of candidates correctly stated that it stood for public limited company.
- Q1(b)(v) The most common response to this question was 'a strike'. Some candidates mis-read the question and responded by giving an example of what workers did, such as operating machinery or building houses. This was a question where careful reading of the question was essential. There were candidates who did not even attempt this question.
- Q1(c)(i-iii) Whilst a majority of candidates gained these marks there were some who experienced problems with (iii) where they had to undertake some basic arithmetic.
- Q1(c)(iv-v) Candidates generally gained the AO3 marks, usually with references to cheapness and quality. Fewer went to gain the AO4 marks by

developing their initial responses. Better candidates did do this by addressing issues relating to cost of delivery, affect of late deliveries on production schedules and possibility of lost customers and or orders. There were candidates who thought that steel could be sent through the post and developed this with references to the steel being lost in the post.

- Q2(a) This was generally well answered with candidates considering loss of customers and or reputation. Most candidates did have an appreciation of the importance of keeping customers happy.
- Q2(b) This was one of the questions where a number of candidates responded by writing that ' . . . it would keep costs down.' - a phrase that was in both the stem and the question. Candidates should know that the repetition of the wording of the stem or of the question is not going to gain any marks.
- Q2(c) Whilst the responses to CAD were generally good this was not the case for CAM, which was not really understood by many candidates. Such candidates responded with responses that were sometimes identical to the one they had given for CAD. Both CAD and CAM were mentioned in the context.
- Q2 (d) Some candidates appear to have believed that job production was another term for job creation and responded in that vein. For some candidates it was obvious that they did not know what job production entailed. Candidates who had made use of the context responded well to both parts of this question. In (i) a definition was supported by an example such as bridges or a wedding dress but rarely from B & R Engineering. For part (ii) advantages and disadvantages were understood usually related to time and cost.
- Q3(a) Marks were given for an indication of the theories, (pyramid, hygiene) or the names of the theorists. Part (ii) provided relatively easy marks for many candidates, with candidates able to apply their knowledge of theorists and showing understanding of motivational techniques.
- Q3(b) Most candidates were capable of making an accurate calculation in (i) but not all of these gave the actual selling price of £12,500 instead giving as their answer, £2,500. As has been stated in many of these reports a correct calculation of 12,500 only gained one mark if the £ sign was missing. In part (ii) candidates generally scored one mark but again some poor expression meant that responses were not always clear as to the meaning intended by the candidate.
- Q3(c) The marketing mix was generally well known although not all candidates gained the two marks available for part (i). Part (ii) saw some good responses with candidates understanding the importance of product to B & R Engineering and its survival.
- Q4(a) Parts (i) and (ii) responses were often disappointing because some

candidates appeared not capable of working out the gross and net profit and not able to use the formula that was provided in the stem of the question for gross and net profit ratio. Some examiners indicated a belief that candidates had not taken calculators into the examination. There was a variation in the responses to (iii). Some candidates were obviously well prepared for this question and could analyse how each ratio could be improved. Other candidates did not do this and there was evidence of confusion between cost of sales and selling price and a lack of precision in answers.

- Q4(b) There was a poor understanding of what retained profits were and the majority of candidates scored few marks on part (i), a basic definition, or part (ii) a consideration of the drawbacks. Many candidates gave an opportunity cost response, although this term was only rarely used. Part (iii) had better responses and was often well answered although not all candidates were able to apply the source of finance they had selected, thus limiting themselves to one mark. Many candidates responded with short-term suggestions that related to revenue and not capital financing. Other candidates suggested a bank loan or retained profit that the question specifically ruled out. This is another example of where candidates had obviously not fully read the question, possibly they stopped reading at the mention of '... a source of finance ...'. Other candidates suggested having a 'fund raising' day.
- Q5(a)(i) This was one question where the confusion of some candidates on the function of B & R Engineering made good responses unlikely. Responses seen included suggestions that there could be more showrooms, garages and increased selling of products to the general public. Too many candidates used the stem as the basis of their response, often just changing the order of the words. Candidates who had benefited from a studying and understanding of the context were able to give sound responses.
- Q5(a)(ii) Some good responses were seen with candidates mentioning and developing areas such as diversification, introducing new products and increasing the customer base.
- Q5(b) Responses to this question generally fell into one of two categories. Candidates who had used the context were able to give sound responses that they could and did apply to B & R Engineering some even mentioning the closeness to Birmingham University as a source of recruitment. Where there was confusion, usually by candidates who thought that B & R Engineering were in the retail sector responses were inevitably not good and generally what was mentioned was the nearness to lots of customers because Birmingham has a large population.

1503/02 - Higher Paper

- Q1(a)** Parts (i) and (ii) were generally well answered although in part (i) the failure to include a £ sign meant that candidates who omitted this could only score one of the two marks available. This remains an issue despite being mentioned in many of these reports. Candidates were obviously well prepared for this question and showed good knowledge and understanding and could analyse how each ratio could be improved. Some candidates did not do this and there was evidence of confusion between cost of sales and selling price and a lack of precision to their responses.
- Q1(b)** There was sometimes a poor understanding of what retained profits were and only a minority of candidates scored both marks available for part (i). Most candidates gained one mark by knowing the concept of keeping money back for future use but were then vague as to what that future use would be. In part (ii) many candidates gave an opportunity cost response, although this term was only rarely used. Part (iii) had better responses than parts (i) and (ii) and was often well answered although not all candidates were able to apply the source of finance they had selected thus limiting themselves to one mark. Those candidates that could apply their knowledge of a relevant source of finance scored well. Many candidates responded with short-term suggestions that related to revenue and not capital financing. Other candidates suggested a bank loan or retained profit that the question specifically ruled out. This is an example of where candidates had obviously not fully read the question, possibly they stopped reading at the mention of '... a source of finance ...'. Other candidates suggested having a 'fund raising' day, an overdraft or sale of assets.
- Q2(a)(i)** There were candidates who used the stem as the basis of their response, often just changing the order of the words. Candidates who had studied and understood the context were able to give good responses making use of their knowledge to analyse the benefits. Some candidates missed the embolden 'TWO' and this was a limitation on the number of marks they could obtain. This was one question where the confusion of some candidates on the function of B & R Engineering made good responses unlikely. Responses seen included suggestions that there could be more showrooms, garages and increased selling of its product to the general public.
- Q2(a)(ii)** Some good responses were seen with candidates mentioning and developing areas such as diversification, introducing new products and increasing the customer base. Generally this question was well answered with judgements evidenced.
- Q2(b)** Responses to this question generally fell into one of two categories. Candidates who had used the context were able to give sound and excellent responses that they could and did apply to B & R Engineering some even mentioning the closeness to Birmingham University as a source of recruitment. Where there was confusion, usually by candidates who thought that B & R Engineering were in

the retail sector, responses were inevitably not good and generally what was mentioned was the nearness to lots of customers because Birmingham had a large population. Other candidates concentrated on JIT and stock issues that were not appropriate responses.

- Q3(a) This was a question where it was necessary for candidates to appreciate the specialist nature of what B & R Engineering did, ie it was business to business (B2B). Where there was this understanding there were excellent responses relating to specialist trade magazine (many candidates) and trade fairs (less well known). Such candidates gained the AO1 and AO2 marks but only the best were capable of evaluating the methods they had chosen. Other candidates presented generic responses that usually included two of the following, radio, television and billboards.
- 3(b)(i) Some excellent responses with candidates gaining both marks. Those that did not were unable to link market research to the need to make decisions based on the data collected. Generally, candidates showed good knowledge.
- Q3(b)(ii) Candidates demonstrated good knowledge of why B & R Engineering would carry out market research although often the explanation was less well done.
- Q3(b)(iii) This question was not well answered and the main reason appears to be that candidates were either not clear as to what market share was or there was a description of a simplistic argument that more sales would mean increased market share. Such candidates appeared to have discounted the fact that B & R Engineering was operating in a competitive market as described in the context. For some candidates there was also confusion as to whom B & R Engineering sold its products.
- Q4(a)(i) Many candidates scored both marks. Some candidates reversed their responses; others thought that the same type of production would do for both businesses mentioned whilst a few thought that job production was the correct response to one or both of the companies.
- Q4(a)(ii) This question was not well answered as few candidates seemed to have a clear understanding of what job production was. Many candidates did not gain the AO1 mark that was available because of this lack of knowledge. Candidates did not concentrate on the unique nature of B & R Engineering's business nor the specialist and often one-off requirements of its customers. Some candidates responded by saying that products could be sold at a high price but did not recognise the high costs that go with job production.
- Q4(a)(iii) This was generally well answered with many candidates referring to lower costs of labour and setting up, less legislation and, in some countries, government incentives to begin a business.
- Q4(b) Whilst the majority of candidates were able to demonstrate knowledge of TQM, few were capable of applying it to B & R Engineering and then analysing how it could help B & R Engineering.

In general most responses were generic with few candidates moving onto the AO2 and AO3 marks. References to the UK market were rare.

Q5(a) Aside from those candidates who did not read the question correctly and gave responses for all three methods of recruitment, candidates were generally sound when responding about apprenticeships. However some thought that the main reason for offering apprenticeships was that they received cheap or no wages. Sponsorships were not well known and graduate job fairs less so even though all three were mentioned in the context. Analysis was seen but evaluation less so.

Q5(b) There were mixed responses from candidates. Whilst most candidates accessed the AO1 marks available for this question they did not always then develop that knowledge by applying it to B & R Engineering. Some candidates appeared to have not understood the question and took the phrase '. . . does not have a problem with staff leaving their jobs.' to mean that B & R Engineering did not care if staff left rather than that staff leaving was rare. This made the application, analysis and evaluation marks difficult to access.

Principal Moderator Report Summer 2009

GCSE Business Studies - 1503/03 (Coursework)

General Comments

As in previous years the marketing assignment remains the most popular choice with communication taking second place. There were only a small number of centres that submitted assignments relating to finance and franchises.

Candidates performance against the Assessment Objectives was much better at A01 and A02 when compared to A03 and A04. A04 is the Assessment Objective that candidates find the most difficult to gain the higher levels.

Where candidates have carried out thorough research into a business or problem this then provides them with the information that they are able to demonstrate and present work of a much higher standard. Candidates were able to achieve across the full range of available marks. It is pleasing to report that the standard of coursework is improving and there were less samples of poorly presented work. The use of ICT was virtually 100%.

A number of centres are still not showing evidence of effective internal moderation, or that this has not taken place where it should. If more than one teacher is marking candidates' work then internal standardisation must take place. There are a variety of ways this can be carried out; all teachers involved mark a sample of work and agree a common application of the criteria; or one member of staff checks a sample of the marking of other staff. Centres that demonstrated good practice in this series either indicated their internal standardisation on the Record Sheet or OPTEMS. Identifying the members of staff on the OPTEMS also helps the moderator.

Annotation/Centre Administration

Annotation has been much better over the last few years. Most centre now annotate at the point that the criteria is being met. However there are still a number of centres that still annotate at the top or bottom of each page, or at the front or back of coursework. This makes the moderation process more difficult. Centres are politely reminded that the best practice remains annotation at the point of award. Centres that do not annotate coursework will continue to have it returned by their moderator for annotation.

Authentication processes were greatly improved this year and it was rare that Moderators had to contact centres on this issue. Unfortunately there are still a number of errors made in the transfer of marks to the OPTEMS. Centres are reminded that it is their responsibility to inform Edexcel if their Moderator has informed them that the original mark was not correct. As in previous years there are some centres that are still not checking the indicated sample on the OPTEMS does include the top and bottom mark for the centre. If this is the case the centre must add these to the identified sample.

General Comments

Those candidates have that have clear structure and sequence to their work tend to achieve the better marks. A benefit of such a structure is action planning with appropriate deadlines and evidence that it is a working document rather than historically created. Some centres are still providing candidates with a very tight

structure which can inhibit progress. The use of writing frames is extremely helpful but can hinder the progress of candidates for AO3 and AO4. In a similar way many candidates are now heavily reliant on the use of the internet and then not always using the knowledge gained to the business or problem.

The submission of over-long pieces of coursework continues to fall, although there are some centres where this still remains an issue. Some centres still appear to encourage candidates to include in their coursework every piece of planning work they have undertaken - this is not necessary; nor is it necessary to include every completed questionnaire.

Assistant Moderators generally reported fewer problems, other than those already mentioned above. However, the following problems have been identified:

- Coursework is submitted in plastic wallets - the moderation team would be happy if all work came with a treasury tag attaching the pages.
- Some candidates still submit work of a purely descriptive nature that makes it virtually impossible to access AO3 and AO4.
- Inaccurate transfer of marks from the Record Sheet to the OPTEMS
- Late submission of the sample

Centres are thanked for their monitoring of the use of internet resources. Centres should remind candidates that most moderators are teachers of this specification and are aware of the sources that candidates can and do access.

Detailed below are comments made by moderators in their post-moderation reports with regard to the Assessment Objectives that are often incorrectly awarded or not awarded at all. As in previous years there is no excuse for the repetition of the points.

1.2

Candidates are simply asked to list their sources of knowledge. It is a constant surprise to find that good candidates who do not gain this criterion. A bibliography that includes more than one source is acceptable. There are four sources of information, text, people, organisations and electronic. To achieve this criteria a candidate only needs to identify more than one source i.e.

Mrs A N Other, my Business Studies teacher (people);

GCSE Business Studies by S Alpin et al (text)

1.3

To gain this criteria candidates must identify business aims/objectives not personal ones or the aims of 'doing' the coursework.

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 about and not just described, for example in 1.6 a simple sentence that just states 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** 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. In 1.8 and 1.9 lists, or bullet points, that purport to be critical or a comparison, are unlikely to meet the requirements.

2.3

This remains an easy mark - candidates simply have to state what they are going to do (in the future tense). If they then clearly indicate deadlines (i.e. dates) then 2.6 can be given. A number of candidates did achieve 2.9, usually through comments on their action plans that showed change, the reason for those changes and how this impacted upon their knowledge.

2.4

If applying this objective to legislation then candidates must not just state the terms of the Act of Parliament, they must apply it to their business or business problem. A simple statement with regard to the act is insufficient evidence. They need to consider the act in respect of the business.

2.7

This Assessment Objective does require candidates to complete all three parts making several comments on each, (i) recognise strengths (ii) recognise differences and then (iii) make decisions. In most cases (iii) is missing and there is no clear link between parts (i) and (ii). Where candidates carry out SWOT and PEST analysis they achieve parts (i) and (ii) but do not gain (iii), and therefore cannot be awarded 2.7.

3.4

Yet again this Assessment Objective is often under-awarded, even when there is clear evidence of either three sources of knowledge or an ability to organise in the work of many candidates.

3.7

There must be clear evidence of the system that the candidate has gathered their information from all four sources and used them throughout their work. This is often awarded for a bibliography which does not show that the candidates have used the sources throughout.

3.9

The report or presentation should be in a recognisable business format. Using task numbers as headings is not in a recognisable business format.

4.5

This Assessment Objective is still rarely correctly awarded. There must be evidence of (i) the facts (ii) the opinions from which candidates will (iii) draw limited conclusions.

Grade Boundaries - June 2009

1503/01 - Foundation Tier

Grade	Max. Mark	C	D	E	F	G
Raw boundary mark	105	48	39	30	22	14

1503/02 - Higher Tier

Grade	Max. Mark	A*	A	B	C	D
Raw boundary mark	105	66	58	50	42	33

1503/03 - Coursework

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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