



Pearson

Examiner's Report Principal Moderator's Feedback

Summer 2018

Pearson Edexcel GCSE Business
(5BS01) Paper 01
Introduction to Small Business

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General Comments

As reported in previous series, the evidence suggests that the paper was accessible and candidates were able to demonstrate effective knowledge and understanding of the content from Unit 1. From the statistical information gained it shows that centres are preparing their candidates effectively for this objective test paper.

Unit 1 is more heavily weighted towards Assessment Objective (AO) 1 – Demonstrating knowledge and (AO) 2 Application of knowledge, the questions, as always require candidates to carefully read through the options before selecting an answer.

As in all examination papers the questions are produced to target the full range of abilities from G to A*, therefore some questions will be more challenging than others.

Again as in previous years', centres should advise candidates that all questions should be attempted rather than missing any of them out. One question missed out, could mean a difference of a grade. Even if candidate is not sure of the answer, it is worth attempting.

Also another reminder, candidates should remember that all papers are scanned, to enable them to be marked by computer, therefore, they should mark clearly their answers using black ink, so the marks can be seen, together with following the instructions given. There are still some candidates who do not do this. Some candidates have 'ticked' the responses as opposed to marking them with an 'x', this clearly does not follow the instructions given on the paper and could make a difference in their marks.

Some candidates have used a variety of methods to help them to either eliminate options or to decide which option is correct. This is good advice to give candidates provided again, they do not cover the boxes on the left half side. Some candidates had highlighted/circled the number of marks for each question together, also marking the main part of the question, thus helping them answer correctly. This may be a useful tip to use.

There are still some candidates that do not clearly identify which are their chosen answers, after they have changed their minds several times. If a candidate does make an error in marking the answer/s, instructions on how to amend are shown at the front of the questions.

Below is a summary of performance in the questions for which particular issues were evident, or for which a comment is worth making.

Question 1

Candidates had to identify market segments for a computer games shop and most were able to gain at least one mark with over two thirds of the cohort gaining the two marks available.

Question 2

This question challenged a number of candidates, in identifying the reasons why a sole trader would become a private limited company. Most of the candidates only gained one mark of the two marks available.

Question 3

This question also challenged the candidates, with the majority only gaining one mark in deciding how to improve the competitiveness of a business. Less than half of the candidates gained the full two marks.

Question 4

As in previous years' candidates find questions with regard to finance more difficult. This question asked to identify the changes on MME if the interest rate increased. Just over half gained the two marks available.

Question 5

The majority of the candidates clearly understood which two advertisements broke the employment legislation when recruiting.

Question 6

Candidates were able to identify the non-financial objective.

Question 7

Just less than three quarters of the cohort understood the benefit if MME delayed paying its suppliers.

Question 8

Two thirds of the candidates were able to identify all three examples of the changes that could be made to the marketing mix of a small business.

Question 9

This question asked candidates the advantages of using venture capital and as reported in previous years this seems to be a topic that is not fully understood. Approximately half of the cohort gained the two marks available.

Question 10

The topic of franchises appeared to be fully understood by candidates with over four fifths of the candidates gaining the mark available.

Question 11 Nearly three quarters of the candidates were able to work out the monthly costs for the business.

Question 12

As mentioned previously candidates find any question relating to finance slightly more difficult. This question asked what actions would help to improve the cash flow and just over two thirds were able to identify the actions.

Question 13

Candidates were asked to identify the main reasons for producing a business plan with over half of the candidates gaining the two marks available. Very few candidates did not gain a mark.

Question 14

For this particular question, candidates had to convert the percentages in the table, to actual customers and then identify conclusions drawn.

Question 15

Over four fifths of the candidates were able to identify the two key feature of enterprise.

Question 16

Candidates had to work out the cost of the cheese due to the change in the exchange rate, and for some candidates this proved difficult with one fifth of the cohort not gaining the mark available.

Question 17

This question was taken from the topic 1.5 impact of changes in interest rates on small businesses, proved more difficult for the majority of the candidates with only half of the candidates gaining the mark available.

Question 18

Approximately half of the candidates were able to access the financial information given for a small business and work out the three missing figures. One fifth of the candidates gained one mark another fifth gained two marks. There are still a number of candidates where their answers are difficult to understand. As there were two negative figures some candidates did not show that they were negative, even though they may have got the actual figures correct. It was therefore important that they included the minus figure, or put the figure in brackets. Some candidates had made several attempts at getting the correct answer and then did not indicate which one was the correct answer. Also some of the candidate's handwriting is difficult to understand e.g. the writing of 1's and 7's. It is important that candidates are made aware that they must write clearly and that their answer is easily identified.

Question 19

Two thirds of the candidates were able to gain the marks available for identifying what would be a calculated risk for a business.

Question 20

As with previous papers, this type of question enables candidates to demonstrate their knowledge of the definitions/terms used. However, only just under half of the candidates gained the full five marks for this question, meaning that one of the definitions is not fully understood. Perhaps candidates confused stakeholders and shareholders. However, it does appear that candidates are well prepared for this question.

Advice for centres

Below is a summary of advice specifically arising from this examination series and previous series. This includes some of the guidance which may be useful to centres when preparing candidates for the examination.

1 Multiple choice - does not necessarily mean easier – centres should work with candidates to ensure that they are sufficiently prepared to attempt multiple choice questions. The questions are designed to require skills including application and analysis.

2 Analysis of graphs – this is perhaps where centres perhaps could prepare candidates more by giving them examples of graphs so that they can analyse the information and make judgements. In case this type of question appears in future papers.

3 Key terms – a number of marks on this paper are gained through knowledge of key terms. Centre should plan to consolidate this knowledge on a regular – weekly – basis with their candidates. This could take many different forms such as quizzes, crosswords etc.

4 Practice makes perfect – to improve performance of candidates, centres should seek to develop examination technique by running mock exams under the same timed conditions as the real paper. On the Edexcel website, there is now a selection of past papers available.

5 Timing - whilst many candidates scored highly on this paper, it was considered at times incorrect responses were selected by candidate as a result of questions not being read thoroughly enough. Centres are encouraged to work with candidates in using the 45 minutes available to think carefully about each question, identify distracters, and finally the correct answer. A check by candidates of all their answers is also encouraged before the end of the examination. Candidates need to be aware that questions are designed to include some strong distracters.

Grade Boundaries

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

<http://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>