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Examiners' Report  
Principal Examiner Feedback

November 2020

Pearson Edexcel GCSE  
In Business (1BS0)  
Paper 2: Building a business

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**Introduction:**

This report provides feedback on 1BS0.02 'Building a business', the second paper which comprises the GCSE qualification in Business. This report should be used by centres to provide teachers and students with guidance as to how to approach the various question types going forward. It could be used to fine-tune the approach students use to answer the questions in future examination series.

This year, the cohort was a small fraction of the normal entry, with only 228 candidates opting to sit this examination. Therefore, it is likely that very limited conclusions can be drawn from the performance of students in this examination series. This needs to be taken into consideration when acting on the following comments and recommendations.

**Question 1(c):**

Students generally had some understanding of what 'external recruitment' was. Some students thought that this meant that a recruitment agency had to be used by the business. This confusion limited students' scoring potential.

**Question 2(c):**

A sizable proportion of students could not calculate gross profit. Thus, these were easy marks lost. Centres are advised to ensure that their students learn the formulae in Appendix 3 of the specification. 10% of the available marks are awarded for quantitative skills.

**Question 2(d):**

Many students focused their answers around 'reducing costs' or 'the ability to focus on new products in the introduction phase of the product life cycle'. A small minority misread the question and gave answers that developed the benefits to a business of using an extension strategy.

**Question 2(e):**

This question was well answered, although at times students provided answers that appeared to be rehearsed around a generic benefit to a business, rather than being focused on a specific benefit relating to improving the aesthetics of a product. Examiners were instructed to award such answers 1 mark. Centres need to be wary of advising students to adopt this approach.

**Question 3(c):**

Students struggled with this question and a minority decided to consider the benefits of differentiating a product. Most correct answers focused on the costs of differentiation or the possibility that existing customers may not like any change to the product.

**Question 3(d):**

Most students focused on a larger market size and the ability to sell to more markets. Some students thought that increased globalisation would lead to more tariff and quota barriers being imposed. These answers were not given any credit.

**Question 3(e):**

This question was badly answered. Most students had a very limited understanding of what a public limited company was and struggled to consider the differences between that and a private limited company. Many answers focused on the fact that a public limited company is 'in the public domain' and confused a public limited company with a partnership. The best answers focused on the ability to raise additional capital through the sale of shares and the possibility of a takeover.

**Question 4(a):**

For a two mark 'Outline...' question, this was badly answered, with most students failing to pick up on the 'in its restaurants' part of the question. Thus, responses that focused on 'deliveries' or some kind of 'centralised cooking of chicken' arrangement were given no credit. The best answers tended to focus on 'efficiency' and 'the ability to serve chicken to customers speedily'.

**Question 4(b):**

There were some very good answers to this question and students appeared to find it accessible. The main problem was lack of 'Application' or 'AO2'. In 'Analyse...' questions this will result in a Level 0 for 'AO2' which limits a students' response to 3/6. The best answers used 'chicken', and rivals within the market, such as 'Burger King' as sources of potential application. Centres should instruct students as to the importance of using the case-study to ensure their answers are contextualised.

**Question 5(a):**

Most students were not able to interpret a bar gate stock graph. Thus, very few students were able to identify the correct answer of '1,200'. Most students provided the answer of '1,300' having failed to subtract the buffer stock of '100'.

**Question 5(b):**

Most students were not able to interpret a bar gate stock graph. Thus, very few students were able to identify the correct answer of '4 days'. Most students provided very strange answers that demonstrated that they did not understand a bar gate stock graph that looked different to the standard ones provided in textbooks.

**Question 5(c):**

A minority of students thought that the best approach to this question was to essentially paraphrase the case-study and provide a description of the story behind why *KFC* had run out of chicken. These answers scored zero or very few marks. The best answers focused on the damage to the *KFC* brand and the difficulty of regaining customers from other fast-food outlets. Again, 'Application' or 'AO2' was required to allow a student to score above 3 marks.

**Question 6(a):**

This question was a 'State...' question. Thus, it tests 'Application' or 'AO2'. To score a mark, students had to come up with an applied job role within a fast-food restaurant. Thus, 'manager' was given zero marks, whereas 'Restaurant manager' was awarded 1 mark. 'Cleaner' was awarded zero marks, whereas 'Kitchen cleaner' was awarded 1 mark. Centres need to focus on the fact that any question that includes the italicised name of the business from the case-study in the question requires an applied response.

**Question 6(c):**

Most students struggled to go past Level 1 or 2. This was due to lack of 'Application' or 'AO2' and/or lack of 'Evaluation' or 'AO3'. Most students found the question accessible. However, they tended to generate a one-sided/generic response which limited their ability to score marks. Centres are reminded that students which consider the benefits of one option and then the drawbacks of the other, discarded, option are not demonstrating any 'Evaluation' or 'AO3b'. Equally, the benefits of one option and the benefits of the other, discarded, option are also deemed to generate a one-sided response and will, score Level 0 for 'Evaluation' or 'AO3b'.

**Question 7(b):**

This question required students to identify the year with the smallest percentage change in *Iceland's* sales revenue. Many students over-complicated the question by attempting to calculate the percentage difference in change between each year. That was not necessary, given the question that was asked. A large proportion of students opted for 2015, with a percentage change of -4.4%. However, the smallest percentage change was in 2013 with a 1.1% change in sales.

**Question 7(c):**

This was an 'Outline...' question. It was badly answered since many students answered their own question, rather than the one which was set. Most students considered a 'pricing strategy', rather than 'one factor that could influence a pricing strategy'. Thus, examiners found it difficult to mark this question and were trying to unpick whether the student had stated and/or developed a factor that influenced the choice of a pricing strategy within their response. Most students scored 0 or 1 mark.

**Question 7(d):**

This question generated a similar set of comments to those made about the other 'Justify...' question in 6(c). However, answers to this question were far more generic than those provided in Question 6(c). Students tended to struggle to apply their responses to a supermarket case-study and appeared to be 'ill at ease' with the difference between temporary and permanent contracts.

**Question 7(e):**

This is the only question on the exam paper that tests all four assessment objectives. Examiners are asked to decide on a level for each of the assessment objectives and then take a line of best fit. The question proved to be accessible to most students, although evaluation tended to be limited to Level 2. In most cases, where a conclusion was present, the conclusion tended to be just a summary of what the student had developed elsewhere within their response. The best students brought new evaluation into their conclusion and made use of the 'it depends rule...'

## **Paper Summary:**

Based on the exemplars that have been seen by the Principal Examiner, centres and candidates are offered the following advice:

- Learn the formula in Appendix 3 on page 32 of the specification. 'Calculate...' and 'Identify...' questions account for 10% of the available marks on this paper.
- Use 'linking words' in when answering 'Explain...' questions. This allows the examiner to see where the statement of the reason/advantage/way/impact ends and where analysis starts. It also allows the examiner to easily count how strands of development there are in an answer. Good examples of linking words/terms include 'because', 'thus', 'therefore' and 'as a result'.
- 'State...' questions test 'Application' or 'AO2'. Therefore, a generic response will always score 0 marks.
- In 'Justify...' questions, there is no need to consider both options. The drawbacks of the discarded option just provide further support for the chosen option. Therefore, students should consider this when writing their response.
- Questions in Sections B and C test 'Application' or 'AO2', therefore students limit their scoring potential by writing generic responses that make no use of the case study provided at the start of the section. To highlight the need for 'Application' or 'AO2' the name of the business in the case study is italicised within each of the questions.

