

Examiners' Report/ Principal Examiner Feedback

Summer 2010

IGCSE

IGCSE Business Studies (4330) Paper 2H

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PE Report on Examination Paper 4330/2H

General Comments

The overall performance of candidates in this examination was once again generally satisfactory. Many candidates demonstrated good knowledge of business terms, with answers containing analysis and evaluation. Both Foundation and Higher Tier candidates were able to write answers in context, which often helped them to gain marks.

The space provided on the question paper/answer book was used well and there were few instances where candidates ran out of space; where they did, it was pleasing to see that they indicated that this was the case, (e.g. continued on page 9). This is to be encouraged where candidates cannot complete their answer in the space provided.

The standard of written communication was satisfactory. Even so, centres are still encouraged to keep working with candidates to ensure incorrect phrases are clearly deleted, with replacement information positioned close by.

The mark scheme again contains information relevant to centres. However, it should be emphasised that the answers given in the mark scheme are **not** meant to be exhaustive and other credit worthy answers are possible.

- Each question indicates the level(s) at which it is based:
 - AO1 Demonstrate - this Assessment Objective tests the ability to demonstrate knowledge and understanding of the business term, idea or concept featured in the question. Command words such as 'Define', 'Name' and 'State' confirm this level.
 - AO2 Apply - this Assessment Objective tests the ability to relate answers to the context. In this series, candidates were required to use the information provided about a manufacturer of pianos, organs and keyboard instruments. Command words such as 'Give' (an example in context) confirm this level
 - AO3 Analyse - this Assessment Objective requires selecting, interpreting or analysing an issue presented by the question. Command words such as 'Analyse', and 'Identify' confirm the question is at this level
 - AO4 Evaluate - this tests the ability to formulate some judgements. Command words such as 'To what extent' and 'Discuss' confirm this level.
- The possible answers are structured using dashes and obliques ('slashes'). It is the practice in this examination to use a dash in order to separate points that are worth **additional** marks, and an oblique to indicate an **alternative** way of making the same point.

Comments about individual Questions

Question 1

This question is common to both Foundation and Higher tier papers. It was quite well answered.

Part (a) was generally well answered, with the concept of fixed and variable costs were clearly understood. However, a number of candidates incorrectly thought it meant that fixed costs did not change whereas variable costs would change over time. In the second part of the question, many candidates gave either two different types of production materials, (raw materials), or wages of workers. In part (b) many disappointingly just said loss - profit. Those who did the calculation generally got it correct & gained the full 4 marks.

In part (c) there were a lot of good answers gaining the full three marks, most answers included total sales, profits and consumer satisfaction. However, a large number did suggest liquidity ratios, demonstrating a lack of understanding of liquidity.

In parts (d) and (e) a large number of candidates thought competition pricing was pricing lower than the competition and/or cost plus related to high quality products or that competition pricing was penetration pricing and cost-plus was skimming the market. Not a well answered question but those candidates who understood the concepts scored highly on this question. Some candidates put information in (d) that would have scored marks in (e) and vice versa. Candidates need to read the question carefully to ensure they gain the full marks available.

Question 2

Part (a) was not well answered by many candidates who gave vague answers such as 'a Profit and Loss Account shows how much profit is made' - rather than making it clear that it is used to calculate net profit. The term 'Trading Account' was not well known by many candidates, some even thought it was to do with international trade. Where the terms were well understood then maximum marks were gained.

In part (b) many candidates gained the first two marks explaining that market segmentation was looking at groups and gave an example but then few could develop their answer to say how they could improve sales to this segment. Weaker candidates just talked about improving sales per se without reference to a market segment.

Quite a number of candidates introduced product life cycle, Boston Matrix and even the marketing mix into their answers to part (c). The majority of candidates achieved the three A03 marks but found it more difficult to achieve the A04 marks which required them to consider the changes in the trends of the instruments and make judgements as to which ones to concentrate on producing in the future; they often just repeated themselves.

In part (d) most candidates achieved the first two marks; 'if they sell more their pay goes up.' A number of candidates did link it to theorists and/or looked at the possible negative effects of the change. A pleasing number of candidates did produce some high scores on this question where they discussed both the ways in which this change in payments system could motivate staff and also why it might not be effective. A balanced argument was required for the highest marks.

Question 3

A large number of candidates gave a general definition of economies of scale and scored marks. There was a good spread of different economies of scales used with 'technological' and 'financial' being the most popular; many candidates scored full marks on this question.

Candidates generally scored well on part (b), looking at infrastructure, government incentives & the local labour force. A number of candidates did talk about having a stable electricity supply and access to water. Where candidates failed to gain the higher marks was often due to a lack of development of their points rather than a lack of knowledge of the points themselves.

In part (c) a lot of candidates described quality control, looking at TQM, quality circles & Kaizen, etc, rather than explaining why quality control would be important to HH Ltd. Again exam technique of not reading the question carefully let them down and reduced potential marks. A number of candidates also used a mirror argument and this limited the marks they could gain. Better answers discussed the reduced costs of fewer defects and improved customer loyalty but that quality control cost time and money to carry out. The highest scoring answers also had a justified conclusion.

Grade Boundaries - June 2010

Option	A*	A	B	C	D	E
3 (03 & 2H)	81	68	55	42	34	30
4 (04 & 2H)	83	70	57	44	36	32

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