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Examiners' Report  
Principal Examiner Feedback

November 2020

Pearson Edexcel International GCSE  
In Business (4BS1) Paper 01

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November 2020

Publications Code 4BS1\_01\_2011\_ER

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## **PE REPORT ON GCSE INTERNATIONAL COMMERCE 4BS1 01 – November 2020**

### **GENERAL COMMENTS**

This was the second paper to be sat for the new specification for Paper 1. Both paper 1 and 2 allow learners to apply theory to realistic contexts.

This paper is based on The Alternative Drum School (TADS), in England, which proved accessible to candidates. Many candidates showcased evidence of their understanding of Business from studying this course. However, providing answers on the given scenario seemed to present some difficulty for some learners which restricted their entry to the higher levels. Centres are encouraged to work closely with their learners to encourage them to revisit the scenario set and encourage them to practice answering questions in the context of the scenario set.

Centres are advised to look at the command words outlined on page 31 of the specification as many learners are losing marks through their lack of understanding of these words, in particular the 'State' questions. For example, 'State in question 1 (d) required learners to 'State one benefit to TADS of investing in computer technology'. To achieve full marks the answer must be in context to the given scenario but a lot of learners provided a benefit of computer technology but not in the context of TADS.

To assist centres in their preparation for future examinations it is worth noting that the mark scheme does include the Assessment Objectives (AO) for all questions. The breakdown for each AO can be seen on page 7 of the Getting Started to Teach guide. Questions 2 (f) and 3 (e) in particular were poorly answered. For analysis (AO3) and evaluation (AO4) responses candidates are asked to write an extended answer using the information provided within the paper.

The time provided for the paper was sufficient and the paper differentiated well. Most gaps were found in questions 2 (f) and 3 (e) where learners showed little knowledge of how to answer a 'Justify' question. Learners showed clear knowledge of the two options for TADS but often were unaware there are no AO1 marks available for these questions and they are being tested on application (AO2), analysis (AO3) and evaluation (AO4) skills to be able to successfully recommend one of the options to TADS. Learners should practice writing more concise answers to these questions as the lines available are more than adequate for such a question but often learners are using additional papers without gaining additional marks. When additional paper is used candidates must indicate they are doing so as marking is completed online and examiners may not be aware additional paper is being used. In addition to this candidates must be reminded that questions must be clearly labelled on the additional paper.

Overall, learners responded well to the paper.

## **Comments on individual questions.**

### **Question 1**

Generally, the multiple-choice questions were well answered. Questions 1 (a) (i) through to 1 a (iv) saw the majority of candidates gaining the mark for each question. Question 1 (a) (v) saw the majority of candidates gaining a mark by successfully calculating an exchange rate conversion. Question 1 (a) (vi) saw almost half of candidates able to identify the effect of a change in the exchange rate.

Question 1 (b) – this question saw half of candidates correctly define the term fixed costs although some candidates just defined costs as opposed to fixed costs.

Question 1 (c) – two thirds of candidates were able to correctly define the term stakeholder, although some candidates are still confusing this with the term shareholder.

Question 1 (d) – not a well answered question; only one third of candidates gained a mark for this question. Candidates were able to identify a benefit of investing computer technology but few understood the answer needed to be in the context of TADS. Those who answered it well were able to link to the improvement in the quality of musical sound.

Question 1 (e) – a calculation question where half of candidates gained full marks for the correct calculation of the markup on the drum kit. Centres must remind candidates that if the question states ‘to 2 decimal places’ then this is the expectation to gain full marks for the question. It would also be helpful for centres to remind candidates that some formulas are provided at the front of the paper, whilst most candidates did use these there are still some that are not.

Question 1 (f) – a question where candidates showed good knowledge of partnerships. One third of candidates gained a mark for identifying a disadvantage of being in a partnership but then they would not develop their answers. Those who were able to identify a disadvantage of being in a partnership and go on to explain this disadvantage saw them achieve all of the 3 marks available. Candidates who list more than one way can only gain one mark.

Question 1 (g) – a question where candidates have shown good knowledge of the importance of location for TADS. Candidates must be reminded that there are AO2 marks for this level-based question as often candidates would provide an extended answer but not apply this answer to the context of TADS therefore not allowing themselves to move into the top of level 2. Most marks gained by candidates were within the bottom of the level 2 band for this particular question.

## Question 2

Question 2 (a) – a ‘State’ question which saw half of candidates gain the mark available. Those candidates who did not gain the mark were often able to generically offer a reason for business failure but not apply the response in the context of TADS. Those candidates who did gain the mark responded well with various reasons from Ollie’s lack of expertise in other musical instruments to an increase in costs of buying additional musical instruments or hiring other musical specialists.

Question 2 (b) – a ‘State’ question which was not well answered by candidates. Only one tenth of candidates were able to correctly identify a benefit to TADS of using casual staff to teach music lessons. Centres must remind candidates that ‘State’ questions need to be in the context of the given business, the majority of candidates are currently being disadvantaged by not being taught this skill.

Question 2 (c) – this was a well answered question, on the whole candidates were able to show their knowledge of the purpose of market research. A reminder that an ‘explain’ question does not need to be in context. Those candidates who gained all of the marks available were able to identify one of many purposes including identify gap in the market, inform business decisions or reduce risk and then go on to explain this further.

Question 2 (d) – just over half of candidates gained 2 or more marks for this question as they were able to correctly identify a way to measure the success of a business and go on to develop this answer. Unfortunately, some candidates gained no marks on this question due to a lack of knowledge of measuring success in business.

Question 2 (e) – just over half of the candidates gained 2 or more marks for this question as they were able to correctly identify an impact of an increase in interest rates on a business. There are still a lot of candidates who did not know what the impact of an increase in interest rates on a business would be due to lack of knowledge in this area of the specification.

Question 2 (f) – for this question candidates were asked to choose a way to retain the teachers within TADS by choosing between commission for each new pupil taught and an increase in the hourly rate. Those candidates who gained no marks on this response simply showed knowledge of one or both options with no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to TADS but this was not always expanded upon in their answer. More able candidates accessed level 3 by considering their chosen option in the context of TADS and how this would impact the retention of the teachers, linking their points together and concluding their answer with balance and justification.

### Question 3

Question 3 (a) – just over one third of candidates were able to define the term liquidity. Those who did not gain the mark often confused liquidity with making money or were not able to answer the question thus showing a lack of knowledge in this area of the specification.

Question 3 (b) – one fifth of candidates gained the full 2 marks available. Those who did gain the full marks correctly identified a financial objective that TADS may have. Those who did not gain the full marks available often confused financial objectives with non-financial objectives whilst others echoed the question by suggesting revenue. Some candidates went on to explain what financial objectives are, the question is asking candidates for a possible financial objective as there are no knowledge marks available.

Question 3 (c) – a calculation question where one third of candidates did not gain any marks due to the lack of knowledge of calculating the closing balance on a cash flow forecast. Candidates who did gain full marks successfully calculating the net cash flow therefore being able to calculate the closing balance. Some candidates limited themselves to 1 mark by only calculating the net cash flow.

Question 3 (d) – a question where one quarter of candidates did not gain any marks due to a lack of knowledge of the importance of cash to TADS or they have shown knowledge of what cash is but with no application to TADS or any analytical points. Those candidates who assessed level 3 carefully considered the importance of cash to TADS whether that is in relation to payment to various stakeholders or to prevent business failure. Candidates were disadvantaged when they did not apply their answer to TADS as they cannot access the top of level 2 without any application.

Question 3 (e) – for this question candidates were asked to choose between teaching other musical instruments and increase the number of online drum lessons to increase the revenue of TADS. Some candidates who gained no marks on this response simply showed knowledge of one or both options with no application, analysis or evaluation. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to TADS but this was not always expanded upon in their answer. More able candidates accessed level 3 by considering their chosen option in the context of TADS and how this would impact the business when deciding which method of increase revenue to choose, they have linked their points together and concluded their answer with balance and justification.

## Question 4

Question 4 (a) – a calculation question which saw just one quarter of candidates gaining the full 2 marks available. Almost half of candidates have been able to successfully calculate the increase of 2.5% which saw them gain 1 mark but limited themselves to this as they did not calculate the new minimum wage as specified in the question. Centres should encourage candidates to include their working out as often candidates gained a mark for their calculation despite their final answer being incorrect or missed out.

Question 4 (b) – a poorly answered question due to the lack of knowledge of below-the-line promotion, this has led to more than one third of candidates not gaining any marks on this question. Those candidates who analysed the benefits for TADS of using below-the-line promotion often did not apply it to TADS therefore could not access the top of level 2. Those candidates who accessed level 3 did so by detailed analysis of the benefits of using below-the-line promotion in relation to TADS with some candidates linking it to other information given about the business throughout the paper.

Question 4 (c) – centres are reminded that this is the only level-based question in the paper which is equally weighted across all four assessment objectives.

It is pleasing to see that on the whole most candidates made an attempt at this question.

Candidates at level 1 made some attempt at the question and able to make basic statements about private limited companies often without any reference to TADS or any development of their answer.

Those candidates who accessed level 3 considered becoming a private limited company in the context of TADS. Candidates have successfully linked their points together in a logical order and been able to conclude their answer with a well balance and justified argument.

Those who performed less well than expected on this question did so for one of two reasons.

Firstly, candidates provided a generic answer with no application to TADS or candidates would go into detail outlining a the various types of ownership.

Secondly, candidates did not provide a thorough judgment relating back to any issues that may occur for TADS if they were to become a private limited company or they did not balance their conclusion therefore limiting their evaluation.