

Examiners' Report/ Principal Examiner Feedback

June 2011

International GCSE
Business Studies (4BS0)
Paper 01

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4BS0/ 01: Written Paper

GENERAL COMMENTS

The performance of candidates in this examination was generally satisfactory, considering that this is the first examination of the new specification. Many candidates were able to demonstrate sound knowledge of business terms in their answers.

Centres should note that some candidates were answering questions from a generic point of view and not applying their answers to the context. Candidates are not developing or expanding their answers, even when the question asks them to 'analyse', 'outline', 'assess' and consequently they are not able to gain the full marks available.

There were a number of responses that basically re-worded the stem and question and the use of generalised responses that did not answer the question that had been asked.

This paper is marked using the ePEN system and centres are asked to remind candidates to use a black pen or biro when sitting the paper as this scans well. There were a number of candidates who did not complete their answers in the allocated number of lines, rather than write in different places on the paper they should use an additional sheet. Some candidates wrote additional work on different pages. If candidates do this they should indicate on the paper where the question has been continued. There is no guarantee that this will be picked up by the examiner unless the candidate has clearly identified where the rest of the answer is placed.

COMMENTS ABOUT INDIVIDUAL QUESTIONS

Section A

Question 1

This question was quite well answered for the majority of candidates. However 1(a)(iii) a number of candidates thought that they could raise finance by selling shares to the public. As FF is still a private company this would not be possible.

Question 1(b) most candidates were able to identify the correct order in the recruitment selection process. However there was some confusion for candidates with regard to the beginning of the order. It would be very difficult to produce a person specification unless the job description has been decided first.

In question 1(c)(i) and (ii), most candidates were able to identify at least one job for the purchasing and production departments. A number of candidates did not understand the different departments within a company and the roles that individuals play. Common replies for purchasing were buyer, with the explanation that a buyer would have to source the cloth and get it to FF Ltd at the right price. Production was less well answered and many candidates did not associate the making of the curtains with this department. Many tended to comment about stock control and making sure that there is sufficient stock.

Question 1(d)(i) was either fully understood that TQM means quality checking at all stages of the process with everyone involved, or candidates had not understood the term and its implication upon the business.

Question 1 (c)(ii) was well answered by most candidates who realised that if there were a number of complaints, then the company's reputation and sales would decrease.

Question 2

Question 2(a) and (b) were either well answered or not dependant on the candidate. Candidates' knowledge of a wholesaler and its role within the channel of distribution was limited. In question (a), candidates often identified that a wholesaler sells to a retailer, but the concept of purchasing from a manufacturer was often missed.

The identification of two reasons for a retailer purchasing from a wholesaler was varied. A large number of candidates thought that a wholesaler provides the opportunity for obtaining discounts and cheaper prices, even though they may have mentioned that the wholesaler 'sells in smaller quantities'. Some candidates did mention that the wholesaler is able to offer delivery service or store a large quantity of different clothes, for the retailer to choose from and break down into smaller units that match the needs of the retailer.

Question 2(c)(i) many candidates realised that if FF Ltd did not have this aim then they would not be able to keep the customers satisfied and maintain their reputation.

In question 2(d) – a majority of the candidates were unable to identify the four categories of the Boston Matrix. A small number of candidates did mix the positions up and some just repeated the information on the chart.

In question 2(e) - on the whole this question was not well answered by the majority of candidates. A number tended to repeat the context of the question several times within their answer without fully explaining why they had chosen one particular product against another. Very little reference was made to the fact that if they have a high market share and high growth this would enable them to have greater economies of scale thus reducing their unit costs. Most commented on the fact that because they have a high market share, then they will automatically sell the goods. This is not always the case. Candidates should be reminded that repeating the scenario wastes a great deal of time and does not gain them any marks. Candidates also commented on the fact that it would lead to increased profits – again in the stem of the question.

Question 3

Part 3(a)(i) and (ii) was well answered by most candidates.

In part 3(b)(i) and (ii) a number of candidates confused the reasons why a stakeholder would want to see the accounts. Most tended to give the bank and shareholders as the stakeholders who would be interested in seeing the Profit and Loss Account, with reasons for the bank, to check that they have sufficient funds to pay the loan, and for the shareholders, to see if the company is doing well and if they will get their dividend. Some misconceptions by some candidates were customers – to see if the company would survive. Candidates tended to gain two out of the four marks available.

Part 3(c) – Many candidates made general comments about FF Ltd being pleased with the profit margins but did not relate them to the actual figures.

In 3(d)(i) many candidates related this question to the benefits of the customers and not to FF Ltd, as required by the question. However, there were a number of candidates who fully understood what job production was and how FF Ltd could benefit from having this method of production as opposed to others. For example, the product being made to the individual customer's requirements, which in turn increases customer's satisfaction.

Part 3(d)(ii) candidates were asked to discuss two benefits of an alternative method of production. Some candidates gave more than one alternative which was not required. Candidates should be encouraged to read the questions carefully so that they fully understand what the question is asking for. Most candidates understood the alternatives methods of batch and flow production and could make justification for using an alternative method.

Section B

Question 4

For part 4 (a)(i) many candidates understood a benefit of becoming a public limited company was that shares could be sold on the Stock Exchange meaning that FF Ltd would be able to raise the finance that was needed. Some candidates did not understand the implications of the company changing from private to public.

In 4(a)(ii) the analysis of one problem was not so well done. Many candidates mentioned that there would be more shareholders in the company but mainly commented on the fact that because of this their shares would decrease in value and they would not get as much money. Others mentioned that if too many shares were bought by someone else, then the business could be taken over. However, the development of this one problem did not always allow the candidates to access the full three marks.

For 4(a)(iii) most candidates were able to gain marks by analysing one or two suitable methods of raising finance for the expansion. Bank loan being the most common response and the justification that interest would be payable on the loan and the length of time they could have the loan for. Some candidates mentioned selling assets, to the raise finance this was not accepted as a suitable method to cover the expansion as there was no indication of the amount of money required, an asset could either be something small or large.

In question 4(b) again this was another question where candidates tended to repeat the scenario in the answer. Some gave brief advantages and disadvantages with no development. Others only gave a one sided argument to the answer by giving the advantages only. However, there were a number of candidates who gave a balanced case for FF Ltd moving production to the new location and thus were able to gain the marks available.

Question 5

The most popular response to 5(a), was internal recruitment with candidates justifying that this person would be best because they know the company, find it easier to settle into the new role and be trained. However, some candidates commented on how those employees who had not been promoted would feel and this was not relevant to the answer.

In 5(b)(i) a number of candidates did not understand what was meant by on-the-job training and therefore did not gain the mark available, because it was a basic piece of knowledge.

In 5 (b)(ii) often candidates again did not read the question thoroughly and made evaluative comments on one method of training as opposed to

evaluating both methods. Some candidates were confused with regard to the two methods of training mentioned in the question and evaluated induction training which is a different method. Also some candidates changed the context to sales staff and not the sales manager.

Part 5(c) asked candidates to consider the two options and justify why they had selected one and rejected the other. A large number of candidates did this part well and gained marks, however there were a number of candidates whose understanding of the two methods was basic and this produced a confusing answer. Some thought that piece rate was paid at the end of each day and others thought the bonus was paid each week, even though the answer was given in the stem of the question. Others thought that piece rate meant that workers would not be paid unless they had produced a certain amount of curtains and others thought that the bonus was the only payment that the workers received. Some answered the question in relation to the benefits of FF Ltd and not the workers. A small majority of candidates referred to motivation theorists, although this was not required by the question, and where able to gain marks for this.

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