



Examiners' Report **June 2022**

International GCSE Business 4BS1 01R

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Introduction

Both paper 1 R and 2 R allow learners to apply theory to realistic contexts. This paper is based on the business Can Culleretes in Spain which proved accessible to candidates. Many candidates understood that this is a long-standing family business close to popular tourist attractions and close to other restaurants. Many candidates showcased evidence of their understanding of business from studying this course. Providing answers on the given scenario does seem to still present some difficulty for some learners which restricted their entry to the higher levels or respond to the 'State' questions appropriately . 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 .

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. 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. Overall, learners responded well to the paper.

Question 1 (b)

This question saw around two thirds of candidates correctly define the term job production with some candidates showing a lack of knowledge of production methods.

(b) Define the term **job production**.

(1)

When one item is produced at a time before moving on to the next item.



This response demonstrates accurate knowledge of job production.

1 mark.



For 'Define' questions candidates are required to show they have a clear understanding of the term, where candidates have given examples of business activity where job production might be appropriate they have not gained the mark.

Question 1 (c)

Around half of candidates were able to correctly define the term diseconomies of scale although some candidates confused this with economies of scale stressing the importance of encouraging candidates to double check the terms provided.

(c) Define the term **diseconomies of scale**.

(1)

As a business increases its output, the average unit costs increases as well.



This response demonstrates accurate knowledge of diseconomies of scale.

1 mark.

Question 1 (d)

Generally not a well answered question as in a lot of cases candidates correctly identified a method that a business could use to collect quantitative market research but to gain the mark for this question candidates are required to put the answer in the context of Can Culleretes.

(d). State **one** method *Can Culleretes* could use to collect quantitative market research.

(1)

Can Culleretes can send out a questionnaire, that's multiple choice, to its customers who eat in their restaurant.



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Examiner Comments

This candidate has stated a method and it is in the context of the given business allowing them to access the mark for this question.

1 mark.

Question 1 (e)

A well answered calculation question where most candidates gained full marks for correct calculation of the net cash flow for Can Culleretes.

(e) Calculate the net cash flow for *Can Culleretes* in June. You are advised to show your working.

(2)

$$4600 - 3000 = 1600 + 4400 = 6000$$

€ 6000



ResultsPlus
Examiner Comments

This shows a prime example of how including the working out has allowed the candidate to gain a mark. Although the answer is within the working out the final answer provided will only be taken into account as it shows the candidate does not fully understand what the question is asking of them.

1 mark.



ResultsPlus
Examiner Tip

Candidates should be encouraged to include their working out. There are occasions where candidates have the incorrect final response but the correct working out so have been able to gain a mark.

Question 1 (f)

A well answered question where most candidates were able to identify a benefit to a business of improving communication with its employees and candidates have then been able to develop their answers with an explanation of that benefit to be able to gain full marks. Candidates who list more than one benefit will only gain 1 mark. The benefit must be developed to gain further marks.

(f) Explain **one** benefit to a business of improving communication with its employees.

(3)

Improving communication with employees will make instructions given to them more clear this means that efficiency increases, productivity increases, which can reduce costs as well since less faults are made so less waste, this increases employee moral as well.



A response which gained full marks. This candidate has been able to identify a clear benefit to a business of improving communication with its employees and then being able to explain this benefit.

3 marks.



Centres are encouraged to teach candidates that for 'Explain' questions they only need to explain one benefit as opposed to listing many.

Question 1 (g)

A question that candidates responded well to where they were able to show their understanding of the impact on productivity if Can Culleretes were to launch an app that allows its customers to order their meals in their restaurant using their mobile phones. Most candidates recognised it would help to improve productivity as it would save the waiting staff taking orders at the table and the orders would be directly sent to the kitchen. Some candidates did misread the question and assumed the app was for customers to order their food from home to be delivered – centres are encouraged to help candidates read the question twice over to ensure they have a full understanding of what is being asked of them so there are no misunderstandings. Candidates must be reminded that there are no AO1 marks for this question, 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 Can Culleretes therefore not allowing themselves to move into the top of level 2. Most marks gained by candidates were within the level 2 band for this particular question.

Can Culleretes is looking to launch an app that allows customers to order their meals in the restaurant using their mobile phones.

(g) Analyse the likely impact on productivity if Can Culleretes launches this app.

(6)

Can Culleretes may have an increase in productivity due to technology. Customers ordering online will mean less time spent with waiters taking orders or messing up orders, orders can also be sent directly to the kitchen staff which may reduce wait times for receiving and putting out orders. This may lead to a increase in productivity as Can Culleretes can reduce the time spent between orders meaning they have a higher production capability which means they produce more meals and become more productive. This may increase customer satisfaction for less wait and less time to come back.

- Although an app may increase productivity it might not. Customers who are unfamiliar with technology or customers who don't want to download the app may feel frustrated as they are forced to do something they don't want. This may decrease Can Culleretes production/productivity as customers may spend long times figuring out the app and may also just get frustrated and leave which will decrease the number of orders which may lead to less meals being cooked meaning productivity is lost and has fallen. It may further reduce productivity as chefs may have a hard time understanding the new system, get frustrated and be less inclined to work decreasing productivity.



Candidates took a number of routes to answer this question and could bring in their own knowledge of the subject to respond to this question. This response shows a good example of positive and negative impacts on productivity.

6 marks.



Centres should encourage candidates to include context in 'analyse' questions to ensure they can reach the top levels of this levels based question.

Question 2 (a)

A 'State' question which was well answered by about half of candidates. Candidates often stated an impact of government legislation on a business but did not always apply this impact to Can Culleretes.

2 During the preparation of food, the chefs at *Can Culleretes* have to follow health and safety regulations. New regulations are made from time to time.

(a) State **one** impact government legislation could have on *Can Culleretes*.

(1)

Government could increase the national minimum wage law. As a result Can Culleretes would have to pay its workers more so increase cost.



This candidate has not quite understood how to respond to a 'state' question. Government legislation allowed candidates to bring in their own understanding of various legislation and this candidate chose to base their response around the national minimum wage, unfortunately with no context no marks can be gained. To improve this response the candidate could've replaced the word 'workers' with 'chefs' or 'waiters' which would bring the response into context.

0 marks.



Centres should remind candidates that 'state' questions have to have context in the response otherwise they will not gain the mark.

Question 2 (b)

Another 'State' question which was, again, only well answered by about half of candidates. Candidates were able to correctly identify a way that a business might add value but did not always apply this way to Can Culleretes. Centres must remind candidates that 'State' questions need to be in the context of the given business, a lot of candidates are currently being disadvantaged by not doing this.

(b) State **one** way Can Culleretes might add value to its business.

(1)

By serving high quality foods to its customers.



This shows a good example where the candidate has been able to state a way of adding value and used the context of Can Culleretes in the response.

1 mark.

Question 2 (c)

This was a well answered question showing good knowledge on the various methods business could use to encourage repeat purchase of its products. Candidates were able to identify a method and then go on to explain this method. Common responses included rewards for loyalty, better customer service or better quality of products/services.

(c) Explain **one** method a business could use to encourage repeat purchase of its products.

(3)

can Cullerets could employ promos such as gift vouchers, percentage of food or this would be a point system. This would lead to customers returning to cash in vouchers and gain more points. This would have a positive impact on Cullerets and the business as customers would be more satisfied with their purchases and can Cullerets will gain more loyal customers.



A good response which shows a clear method and then this candidate has been able to expand upon this method. This particular candidate has explained this method with more than two links of reasoning so has wasted some time when there are only 3 marks available.

3 marks.



Centres are reminded to refer back to the mark scheme to see how explain questions should be answered. No context is required for explain questions but time and time again we see candidates applying context unnecessarily.

Question 2 (d)

Another well answered 'Explain' question where around two thirds of candidates gained 2 or more marks for this question as they were able to correctly identify a disadvantage of using personal savings as a source of finance for a business and go on to develop this answer. Where those candidates did not gain the higher marks it was due to them identifying a disadvantage of using personal savings for a business but not then developing the answer or simply by providing a list of disadvantages.

(d) Explain **one** disadvantage of using personal savings as a source of finance for a business.

(3)

Personal savings is when the owner is required to contribute some money to the business when they first start their business.

Personal savings can be lost sometime due to some bank errors.

Personal savings can be stolen by fraudulent activities.



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Examiner Comments

This shows a typical response of where a candidate has either not read the question properly or understood what is required from them, this candidate has not been able to relate a disadvantage of personal savings as a source of finance directly to a business.

0 marks.

Question 2 (e)

A question which saw more than three quarters of candidates gaining 2 or more marks as they were able to correctly identify a benefit for a business of motivating its employees, this shows how well this topic is taught in centres. Common responses including employees working harder, lower employee absenteeism or low employee turnover.

(e) Explain **one** benefit for a business of motivating its employees.

(3)

Motivated employees leads to more effort in work and a less likely chance of losing the employee. If the business motivates these employees they feel more valued by the business and they will work harder. The business will be more efficient and productive and customers will be satisfied with the services/products as they are to a good standard leading to more revenue and cash. Improve the liquidity and cash flows of the business.



A good response which shows a clear benefit for a business of motivating its employees of '...leads to more effort in work...' This candidate has then been able to expand upon this benefit and draw out why this is a benefit. This particular candidate has fallen into the trap of explaining this benefit with more than two links of reasoning so has wasted some time.

3 marks.

Question 2 (f)

For this question candidates were asked to choose between increasing advertising or opening for breakfast as a way for Can Culleretes to improve its revenue. 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 Can Culleretes but this was not always expanded upon in their answer. Around half of candidates accessed level 2 by expanding on their answers but often missing balance and a conclusion to their thoughts. More able candidates accessed level 3 by considering their chosen option carefully in the context of Can Culleretes and how this would impact their financial position, linking their points together and concluding their answer with balance and justification. Candidates who showed high levels of context for this question took into consideration that Can Culleretes are a long-standing family business so the pressure of adding breakfast would lead to longer hours for the family members or they considered the cost implications of advertising in comparison to the size of the business and who would need to create particular methods of advertising.

(f) Justify which **one** of these two options Can Culleretes should choose.

(9)

Can Culleretes should choose option 2. This is because tourists tend to wake up very early to ~~be~~ be more productive in the day. This means that they are more likely to ~~to~~ search for restaurants that offer breakfast. This will lead to an increase of demand of food and therefore sales will increase. as more customers will eat there. However, this depends on the competitors because a lot of restaurants have buffets for ~~the~~ breakfast, meaning they are already providing the ~~the~~ customers in the area with breakfast.

~~One~~ One disadvantage of option 2 however is ~~that~~ that employees might be less motivated. This is because they will need to wake up early and work more hours to provide and cook food. This loss of motivation will lead to kitchen staff being lazy and therefore quality of food will be low. As a result, Can Culleretes will lose customers to competitors because food is not tasty, leading to a decrease in market growth. However, this depends on the quality of food at the restaurants nearby, as if the other restaurants offer food with low quality, then customers will choose to

go to Can Culleretes due to its good reputation for being open for a very long time.

Overall, Can Culleretes should choose option 2 because if they were to advertise, ~~they could potentially~~ it is more expensive in the short term. ^{Opening for breakfast in the}
(Total for Question 2 = 20 marks)

Short term is less expensive and in the long term can boost their reputation even further. However, this depends on the amount of tourists, as due to issues such as ~~parts~~ to a global pandemic, there will be less tourists meaning less customers who want to eat.



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Examiner Comments

This response shows what is expected from candidates in order to gain the full marks for this type of 'justify' question. This candidate has shown detailed understanding of the choice they have made, they have included context throughout their response with logical chains of reasoning and has made a good judgement about their choice with a thorough evaluation.

9 marks.



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Examiner Tip

Candidates do not need to consider both options. Candidates need to make a clear choice out of the two options and be able to balance out their response as to why the business should or should not choose that option. Candidates are then expected to provide a clear overall judgement to evaluate their decision.

Question 3 (a)

This question showed a clear gap in knowledge of candidates where less than half of candidates gained the mark for a clear definition of non-current assets. Some candidates took the route of providing examples of non-current assets or they confused this with liabilities.

3 (a) Define the term **non-current assets**.

Assets that stay in the business for more than (1)
an year



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Examiner Comments

This is a good example of how we would expect candidates to respond to this question.

1 mark.

Question 3 (b)

The response for an Outline question requires candidates to answer in the context of Can Culleretes to gain the full available marks. Some candidates did well to identify a disadvantage to a business of increasing the amount of inventory it holds, those who achieved full marks were able to identify a method and explained this in the context of Can Culleretes. Those who applied their response in context recognised that for this restaurant inventory may be raw ingredients and the disadvantages of holding too much food could lead to wasted costs or food going off.

(b) Outline **one** disadvantage to *Can Culleretes* of increasing the amount of inventory it holds.

(2)

Ingredients for food doesn't last very long which would increase costs.



This is the only outline question in the paper and requires candidates to outline a method that TBTS might use to respond to greater competition. 'Outline' questions require candidates to use context within their responses and this shows how we would expect candidates to respond to this type of question. This has achieved the full available marks.

2 marks.



Centres are encouraged to show candidates how to respond to the command words in order to access all of the available marks.

Question 3 (c)

A very well answered calculation question where the majority of candidates have gained all of the marks available. It is pleasing to see candidates are making more use of the formulas given at the start of the paper.

(c) Calculate, to 2 decimal places, the gross profit margin. You are advised to show your working.

(2)

$$\frac{4\,500}{14\,220} \times 100 = 23.4\%$$

.....
cr 23.4
 28(?)%



This response shows how the candidate has made full use of the formula from the front of the paper which is pleasing to see, however, they have not read the question thoroughly. This question clearly states the response needs to be to 2 decimal places which has not been done by this candidate and stops them achieving the full marks.

1 mark.

Question 3 (d)

A question where candidates who accessed level 3 carefully considered the impact of customers using social media to review Can Culleretes. Candidates often brought in their own experiences of social media and were able to explain not only positive impacts but also the negative impacts of social media. Candidates were disadvantaged when they did not apply their answer to Can Culleretes as they cannot access the top of level 2 without any application.

(d) Analyse the impact of customers using social media to review Can Culleretes.

(6)

- One impact is decreased brand reputation.

This is because customers are able to freely review and give their honest opinion about the food and service of Can Culleretes without the option for the restaurant to moderate them. This may decrease the amount of people who choose to dine or prevent people from dining at the restaurant as they know that it does not satisfy customer needs and expectations.

- Another impact is increased business/brand exposure and awareness. If customers leave positive reviews, more people are likely to pass and recommend the restaurant to friends and family. This means as there are more positive reviews on social media, ~~the~~ it is exposed and read to larger amounts of people to view. This may result in higher sales and more customers and loyal customers (repeat).



This candidate shows how we expect candidates to respond to an 'analyse' question. This response shows detailed application of knowledge and understanding of business concepts with context throughout as well as interconnected points with logical chains of reasoning.

This response shows that the candidate has thought about the positives of customers using social media to review Can Culleretes and the negative effects as well.

6 marks.



Unless responses for 'analyse' questions are in the context of the given business scenario candidates will find it difficult to access to higher marks.

Question 3 (e)

For this question candidates were asked to choose between offering a new chef a permanent contract or a temporary contract taking into account that Can Culleretes were planning to introduce a new range of desserts. Candidates working at level 1 showed good knowledge of both options, making statements on one or both options with some relation to Can Culleretes but they did not always expand upon their answer. More able candidates accessed level 3 by considering their chosen option in the context of Can Culleretes and how this would impact the business when deciding which method to choose, they have linked their points together and concluded their answer with balance and justification. Some candidates confused the options with full time and part time employees and therefore were not able to answer the question appropriately.

Can Culleretes is considering two options:

Option 1: offer the new chef a permanent contract

Option 2: offer the new chef a temporary contract.

← motivate - security

← reliable

↑ depends on demand for cake

(e) Justify which **one** of these two options Can Culleretes should choose.

(9)

Can Culleretes should offer the chef a permanent contract because it offers stable pay, timings and work conditions for the chef. This means they ~~are~~ ^{have} greater job security, leading to them being more motivated, so they are committed to the restaurant's success. For example, they may put more effort into designing a new dessert menu as well as when they prepare the desserts, leading to higher quality cakes and souffles. ^{Moreover, this strengthens} This can give the restaurant's reputation for high quality desserts, ^{this differentiates them from nearby rivals and} consequently, more people are likely to try them, increasing revenue.

However, offering a permanent contract is more costly than a temporary contract and offers less flexibility, ^{until} because the chef cannot be laid off or paid less ^{if} it expires, even ^{if} ^{restaurant profitability is} performance is not good, so costs can't be lowered. This is particularly risky because there is no guarantee that the new desserts will sell, especially ^{another} if ^{other} restaurants nearby specialises in them, because consumers may trust them more. Consequently, the cost of employment is higher than the additional revenue ^{generated} from sales, so profit margin will

continue to fall.

Overall, offering a permanent contract is best as it will mean the chef may be ~~greater~~ more loyal to the restaurant and easy to retain.

This leads to lower risk of turnover and therefore recruitment costs are saved. This depends on the demand for the new desserts, so Can Culleretes should focus on market research to ensure there is a need for them before hiring a new chef.

(Total for Question 3 = 20 marks)



This response shows what we would expect from candidates when responding to a 'justify' question. This candidate is considering both the benefits and drawbacks of offering a new chef a permanent contract over a temporary contract in order for Can Culleretes to introduce a new range of desserts. This candidate has also offered a conclusion which offers an evaluation gaining the full available marks.

9 marks.

Question 4 (a)

A calculation question which has been generally well answered by candidates. Some candidates only gained one mark as they have worked out the discount amount but to gain the full marks available candidates needed to calculate the total cost of a group of 12 people ordering from the fixed price dinner menu including the discount. It is clear to see centres have encouraged candidates to include their working out as often candidates have gained a mark for their calculation despite their final answer being incorrect. Candidates should be encouraged to double check the requirements of the question as some candidates worked out parts of the question and missed the top marks because they did not complete all of the calculations required from the question.

- (a) Calculate the total cost of a group of 12 people ordering from the fixed price dinner menu. You are advised to show your working.

(2)

$$12 \times 38.40 = 460.80$$
$$460.80$$
$$100 - 12.5 = 87.5$$
$$460 \times 0.875 = 403.20$$

€ 403.20



This is a good example of how a candidate has shown their working out to provide the right answer.

2 marks.



Centres are reminded to encourage candidates to read the question carefully to fully understand what is required and therefore being able to access all of the available marks.

Question 4 (b)

A question that required candidates to draw upon their knowledge of external factors that could lead to changes in the market. Where candidates have answered this well they have been able to analyse how customer tastes change and how Can Culleretes can respond to these bearing in mind the new restaurants opening nearby. Candidates were disadvantaged when they did not apply their answer to Can Culleretes as they cannot access the top of level 2 without any application.

(b) Analyse the importance of Can Culleretes responding to changes in its market.

(6)

~~And Analyzing~~ ~~and~~ Adapting to changes in the market is very important.

As trends change restaurants like Can Culleretes have to adapt their menu to stay competitive in markets. If competitors of Can Culleretes have popular meals it's important for Can Culleretes to identify popular customer food demands and implement it into Can Culleretes for more popularity and revenue maximisation. As a result if Can Culleretes doesn't respond to changes their food might quickly become unpopular in the area and lead to a fall in sales and in extreme cases Can Culleretes might have to close their restaurant due to bankruptcy.

Another importance of being responding to changes in the market is to the safe fact of allowing their ~~business~~ Finances. If Can Culleretes is planning on opening new restaurants but a new competitor is taking the restaurant sector by storm, it makes no sense for Can Culleretes to expand. Can Culleretes can use their Euros elsewhere like hiring a new chef that can create this new popular dish in the Can Culleretes 'style' with their own twist so that Can Culleretes doesn't end up spending Euros in a inefficient / unsensible way. ~~It~~ Responding to the change ~~or~~ overall can reduce Can Culleretes's risk of failure and help them make better decisions which can save money and stop it from being wasted.



Another good example of how we expect candidates to respond to an 'analyse' question. This response shows detailed knowledge and understanding of business concepts with context throughout the response as well as interconnected points with logical chains of reasoning.

This candidate has considered the positives of Can Culleretes responding to changes in its market as well as the negatives.

6 marks.

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. This question asks candidates to evaluate the impact of using venture capital as a source of finance to fund the opening of Can Café. It is clear to see there is a gap in knowledge about venture capital as a source of finance and this prohibited some candidates from responding to the question.

Candidates at level 1 made some attempt at the question and were able to make basic statements about what venture capital is but often without any understanding of how Can Culleretes could use this as a source of finance.

Those candidates who accessed level 3 considered the impact of using venture capital as a source of finance to fund the opening of Can Café in the context of Can Culleretes and how this can impact the business. Candidates have then successfully linked their points together in a logical order and been able to conclude their answer with a well-balanced and justified argument .

Can Culleretes is opening Can Café near its restaurant. Can Café will be a smaller premise providing a variety of drinks and smaller plates of food for people in a hurry.

- (c) Evaluate the impact of using venture capital as a source of finance to fund the opening of Can Café. You should use the information provided as well as your own knowledge of business.

CONTEXT

(12)

A venture capitalist is when ~~so~~ an investor is interested in a business and so provides them with money/capital to grow and improve. It is a long term source of finance.

~~being interested~~

The Mediterranean business can use venture capitalist to source finance for their new café. This is because an investor who is interested in the food business may provide capital ~~to grow~~ for the ~~food~~ business Can Culleretes to grow and expand. This leads to the business having a sufficient source of finance to expand their services such as coffee, drinks or juices. Therefore increasing the food restaurants profits as they have another business. In addition to that investors will be happy as their investments ~~in the food~~ have been successful. Hence, the owner and investor having a healthy relationship.

However, venture capitalists will be paid some of the profits earned from the services such as

biryani or Salads. This leads to can collecter not having increased profit if compared to they used a different source of finance such as ~~the~~ selling ~~the~~ assets. Therefore, not being able to spend on other aspects in the business like training the chefs or waiters. ~~As~~ As a result, employees may not be happy with the way the business is operating that not producing the same amount of output ~~of~~ of meals such as fries.

To conclude the business should ~~use~~ use venture capital as ~~a~~ source of finance as it is a long term source so they can gain enough money they need to fund for the new cafe business for coffee lovers. However, it depends on how much profit they are

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

making in can collecter as venture capitalists will be sharing the profit made from the new business. This allows the business to have a different source of finance from their other business when in need ~~for~~ ~~investing~~ for other things such as innovating or advertising.



This is a strong response and indicative of a level 3 response.

It is clear to see that the candidate understands the question and has been able to bring in their own business knowledge to support their response.

There is good context throughout the response as well as a balanced argument with a clear evaluation.

12 marks.

Paper Summary

Based on the performance in this paper candidates and centres are offered the following advice:

- Not to spend time repeating the questions – this is not necessary and simply wastes time
- Understand what the formulas mean
- 'Justify' questions do not need to consider both options
- 'State' and 'Outline' questions require context in order to gain the full available marks
- 'Explain' questions require no context

Grade boundaries

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

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