



GCSE EXAMINERS' REPORTS

BUSINESS STUDIES (LEGACY)

SUMMER 2018

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WRITTEN EXAMINATION

General comments

The paper proved to be as challenging as last year, with an identical mean mark. A small proportion of candidates was awarded extremely low marks and/or did not offer an answer, suggesting that candidates were unable to provide credit worthy answers to a few of the questions. However, many candidates were able to demonstrate knowledge and understanding across the majority of the examination paper. The more able candidates performed well. The best answers were produced by candidates who took time to read the questions carefully, so they were able to make accurate points relating to the given case study.

The early questions were similar in nature to those previously set in papers. They were mostly answered well, with the exception of question 4. All candidates achieved around 80% of the marks available in questions 1, 2, 3 and 5 of the examination paper.

Nearly all candidates attempted the more challenging longer questions, with very few receiving no marks. The more able candidates provided some excellent responses to the longer questions. They had good knowledge of terms and concepts which was applied to specific criteria. Data was analysed appropriately and evaluation was carried out by considering both sides of a case. Conclusions were based on business outcomes.

The main issue arising from this year's examination paper, which affected candidates last year too, was the lack of application. Whilst a minority of candidates demonstrated effective application to either the business in the scenario or the industry/market in which they operate, the majority made little or no reference to it. This limited the marks awarded for all questions that assess application and particularly the extended writing questions that are allocated more AO2 marks.

The quality of written communication continues to be good, with accurate spelling observed and nearly all answers were legible and well written. Although the hardest answers to mark were those where the writing was very small or candidates didn't write on additional pages to finish answers, instead choosing to fit their responses around the edge of the page.

Individual questions

Q1

(a) Most candidates selected the correct options relating to a public limited company.

Q2

Many candidates correctly selected the three options to illustrate the responsibilities of the human resource (personnel) department. However, a few candidates couldn't distinguish between the duties carried out by the human resource department and the production department.

Q3

(a) This question was not answered as well as question 1, although many candidates scored well. Most candidates that failed to get maximum marks, identified *how* a worker would be discriminated against rather than *why*.

(b) Again this was answered well. The majority of incorrect answers focussed on discrimination, which wasn't accepted due to part (a) and using general terms such as "nice working environment" and "pay".

Q4

This was the main question that candidates struggled with in the early stages of the paper. Despite almost all candidates attempting the question, the mean mark for this was around half marks. The item level data also suggests that many candidates struggled but the more able candidates were able to achieve full marks.

(a) Many candidates could not identify two fixed assets, instead selecting liabilities.

(b) The definitions for current assets were of a low standard, with many confusing the term with current liabilities. Many candidates didn't supply an example, despite the question asking for one. Many of those that did suggested a liability or fixed asset.

Q5

Part (a) was answered better than part (b) on this question, although most candidates did manage to get 3 out of the 4 marks available.

(a) Most candidates were able to identify the two internal sources of finance.

(b) Many candidates could identify a disadvantage of a bank loan but did not explain their answer in enough detail to be awarded an additional mark. The most common answer that was awarded no marks was "have to pay it back". This was credited if mentioned alongside an external source of finance that didn't need repaying e.g. Government Grant, but not otherwise as this was not a specific disadvantage to a bank loan.

Q6

(i) Many correctly identified "public sector". The most common incorrect answer was "private sector".

(ii) Income tax was correctly suggested by nearly all candidates.

(iii) Consumer good was correctly identified by most candidates, with the most popular incorrect answer being producer good.

(iv) Candidates identified trade credit as the correct answer, in the majority of cases. A few candidates confused debtor and trade credit.

Q7

(a) Many candidates didn't understand the term 'feature'. Many candidates incorrectly suggested advantages and disadvantages of a partnership instead. Many candidates did not state that the 2 or more people involved in a partnership were owners.

(b) Most of the good answers identified advantages of a partnership. Most candidates gained full marks by suggesting three different advantages rather than explaining fewer points in more detail.

(c) Many candidates understood the term and were awarded at least one mark, although a large number didn't have enough knowledge to achieve 2 marks. The most common answers involved "stopping arguments" and examples of items included e.g. "sharing profits/responsibilities"

(d) A large proportion of the candidates did not achieve full marks on the break-even chart.

(i) The most common error was not drawing the line in the correct place, although some candidates lost marks for not labelling the line, which is stated in the question.

(ii) The term break-even was answered well with the majority of candidates able to state "there is no profit or loss" or "total costs = total revenue". Those candidates that failed to achieve a mark generally answered with "start to make a profit" or "no profit is made".

(iii) Those candidates that understood the chart could read the revenue/costs accurately and knew the method to calculate profit. Those that did not get the correct answer either gave the break-even point or the total revenue figure.

(e) Many of the candidates did not understand the term "assess". Answers generally focussed on the method of increasing profits and how they led to increased profits. Fewer candidates identified a possible disadvantage to the method which meant most of the candidates did not achieve full marks.

(e) There were some very good answers relating to the strength and weaknesses of leadership styles. Most candidates correctly identified the management style being described as autocratic. The majority of candidates were able to achieve at least level 2 marks on this question, with a great number achieving level 3. Those that didn't achieve Level 3 attempted to explain the strengths and weaknesses of autocratic management but repeated phrases from the stem of the question without evaluating the impact on the business. Other candidates responded by assuming that another management style would be suitable and gave advice about their method rather than that stated in the question.

Q8

Most pupils showed a general understanding of organisation charts although there was an obvious gap in knowledge in some aspects of this question. Question 8 was statistically the most challenging of the last four questions, with most candidates achieving less than half the marks available.

(a) (i) This question caused the most difficulty out of questions directly linked to the organisation chart. Many candidates failed to correctly state the span of control is "the number of people someone is responsible for".

(ii) Despite part (i) being incorrect for many pupils, the vast majority could identify the answer as "12". Those that made mistakes either stated "sales representatives" or "one", presumably as there was only one box below the sales manager.

(b) This question was answered more successfully than part (a).

(i) Most correctly identified the answer as "production director" those that didn't stated ""human resource manager" which demonstrates that they didn't read the question with enough care to see the word "director".

(ii) This was answered correctly by almost every candidate.

(c) This is a common question when pupils have an organisation chart in the exam. The majority of candidates were able to state a reason why the organisation structure is

important but did not have the skills to explain how it enabled the business to run smoothly. The candidates that achieved no marks in this question used general explanations such as “workers know their role”. The structure doesn’t list duties like a job description and was therefore deemed as not worthy of a mark.

(d) This question proved difficult for candidates with many unable to achieve full marks. Most candidates were able to get credit for “buying in bulk” but many lacked a real understanding of economies of scale. Those that gained marks for naming the types of economies of scale still struggled to explain how they benefitted a business. A significant proportion of candidates didn’t attempt this question or gave answers demonstrating a lack of understanding of these terms.

(e) This question was attempted by a very high proportion of candidates. Many could identify at least one advantage and one disadvantage of selling abroad. Those that didn’t achieve level 3 generally confused selling abroad and multinationals. Candidates that mentioned multinationals were still awarded marks for points that related to international trade but often didn’t write about those in enough detail to demonstrate level 3 knowledge and evaluation skills. Other level 2 candidates struggled to differentiate their advantages enough with many focusing on being well-known and a larger market, which was accepted as only one benefit. Some also focussed on the benefits of growth and not specifically the international aspect of the question. However, there were other examples of candidates that did provide full explanations of the advantages and disadvantages of international trade to achieve level 3. The main issue with this question was that the question clearly required reference to SH Printers, with 3 marks awarded for AO2. Only a minority of candidates provided application and this therefore limited the marks received by the majority of candidates.

Q.9

This question proved to be the most accessible of the final four questions, with the highest mean mark. The fact that it is broken down into many short response questions is a probable explanation for the increased accessibility of this question.

(a) This question was answered well with the majority of candidates achieving 2 marks. Those that didn’t, either included an answer linked to profit, which wasn’t allowed in the question or had two similar answers.

(b) Most candidates identified competition as the main issue with the location of the business. The vast majority explained that this would have an impact on sales/ profitability etc. Some candidates continue to use loose descriptions such as “lose money”.

(c) This question was generally well answered with candidates identifying “maturity” and “decline”. Those candidates that didn’t achieve full marks used terms such as “peak” and “fall”.

(d) (i) This question was generally answered correctly with only a few candidates giving an incorrect answer. The most common incorrect answer was “September”.

(ii) Most candidates were able to read off the correct answer on the graph. Own figure rule (OFR) was applied here so candidates that answered part (i) incorrectly could still get a mark if they correctly interpreted the graph using their previous answer.

(e) The term “features” confused a few candidates but many were able to gain full marks. Those that didn’t achieve the higher marks generally described the graph on the previous page, which usually led to statements such as “growth of sales”, which was not credited.

(f) The vast majority of candidates clearly had a good understanding of the 4P’s. There were excellent answers that showed detailed knowledge of strategies that the business could use

to improve sales. Most candidates would have been expected to achieve level 3 but may have been awarded a level 2 for two main reasons. The first reason is that whilst there were many examples of excellent written responses that fully explained the advantages of some or all of the 4P's, unfortunately some candidates did not provide balanced arguments by explaining the disadvantages. The second reason is that some candidates included packaging in their answers which is not a stand-alone P of the 4P's. Credit was not giving to the sections of answers that discussed the impact of packaging on sales.

Another key issue with this question, as with question 8(e) was that the question clearly required reference to Kaliq's business (a small business specialising in selling and fitting carpets), with 3 marks awarded for AO2. Only a minority of candidates provided application and this therefore limited the marks received by the majority of candidates.

Q.10

This question also proved challenging for the candidates, although this is usually expected as it is the last question on the paper.

(a) The term "feature" again caused slight confusion for many of the candidates. This question was generally answered poorly with candidates seemingly unaware of cooperatives, in regards to a type of ownership. Many misinterpreted the question and described the Co-op supermarket. The best candidates knew they were owned by employees/customers, were called members and had common aims/objectives.

(b) Most candidates were able to successfully calculate the market share figure.

(c) Almost all candidates could give an example of an expense. The only incorrect answers related to "cost of sales" e.g. stock/raw materials.

(d) Many of the candidates successfully answered this question, achieving two marks by calculating the correct answer by selecting figures from the table. Those with incorrect answers showed a lack of knowledge of the formula with some using percentage techniques taught in Maths, which didn't have the level of accuracy that was required for marks to be awarded.

(e) The candidates struggled with these questions generally and few linked parts (i) and (ii) back to the context of supermarkets.

(i) Generally, many candidates got 0 marks on this question. Those that were awarded 0 marks did not state a link to a fall in the value of the pound and imports/exports. Many wrote about costs increasing but as they had not stated how/why they might increase, credit could not be given. It was implied from the answers given that many candidates thought a fall in the pound meant that the currency had become worth less (similar to hyper-inflation) and all items in the UK become expensive irrespective of any international trade.

(ii) Many candidates described increased taxes being paid but did not relate back to the supermarket (business). The answers given did not make it clear as to who was paying increased tax and many of the answers seemed to imply that it was customers that would be paying more tax. This showed a lack of knowledge of the different types of tax.

(iii) This was answered well by a vast majority of the candidates. Many connected the protests to "poor reputation" and "less sales due to unethical behaviours", with others identifying "increased costs" and "stock shortages" as possible impacts. A few candidates incorrectly described protests as 'picketing' outside shops, stopping customers getting into stores, although this was a minority of cases.

(f) Nearly all of the candidates attempted this question, with most able to gain some marks. Most candidates could identify and explain an advantage (attract customers) of ethical and environmental policies and some could expand upon this with a disadvantage (costs). The candidates achieving level 3 marks were able to choose specific policies (ethical and environmental) that supermarkets use and evaluate how they are specifically advantage or disadvantage the business.

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CONTROLLED ASSESSMENT

In general, the vast majority of centres followed the WJEC guidelines in administering the assessment.

One or two centre's failed to submit the research section with their 3 hour write up and this has caused some difficulty in moderators being able to support the centres' marks with regards to criteria B.

Along with this centres must authenticate both BS2 and BS3 forms for the moderation process to be completed. A few centres failed to authenticate the forms which led to moderators having to contact centres for further copies for the moderation process to continue.

In large centres where there are two or more teachers delivering the course, it helps the moderation considerably if the centre shows the moderator how they have undertaken internal standardisation.

The 4 different assessments this year were as follows:

- To investigate the promotional and pricing strategies adopted by small-scale local businesses and those of large-scale companies.
- To investigate the impact on a variety of stakeholders of a major business development in your area.
- To investigate the environmental or ethical practices used by businesses.
- To investigate the sources of finance available to small businesses in your area and a large limited company.

To investigate the promotional and pricing strategies adopted by small-scale local businesses and those of large-scale companies.

This was by far the most popular choice of task undertaken by centres. In general this was done well by most centres.

Most centres followed the WJEC guidelines and undertook a 6 week research period enabling candidates to collect primary and secondary research on both aspects. Candidates were able to produce a significant amount of research on these two aspects of the marketing mix. Many candidates chose businesses in the retail sector where research was readily available. Many evidenced visits with the inclusion of photographs of point of sale displays, special offers and price labelling.

Many collected research on how businesses used the internet/websites and different aspects of social media and produced screenshots from various websites.

Coupled with this candidates produced questionnaires, collected research and produced graphs charts and tables that were included in the appendix.

However, some candidates did not fully follow the required task of the assessment and produced work discussing all of the 4 P's of the marketing mix, which was not the correct task.

This made it difficult to support the marks of the centre whereby the work produced had a strong focus on the Product and Place, as this information did not answer the exact requirements of the assessment and therefore could not contribute to the marks awarded.

To investigate the impact on a variety of stakeholders of a major business development in your area.

A number of centres chose to undertake this task. Candidates who attempted this assessment clearly identified a proposed development in their area or were given a business development chosen by their teacher. In general, this task was done well and some very good investigations were carried out.

Most candidates produced a list of a variety of different stakeholders that would be affected by a business development. These included the local community and the effect on local jobs, the local authority/council, the location of the proposed development, suppliers, customers, trade unions and workers.

A great deal of research was gathered from news articles in local or national press. Which were then evidenced as screenshots from various websites. Many centres invited guest speakers into the classroom to discuss local issues and often had speakers on both sides of the argument, i.e. for and against the development, this greatly assisted candidates in evaluating the main arguments.

As well as the expected effects on stakeholders such as employment opportunities, increased income, the knock on effect or multiplier effect, it was good to see candidates having a good grasp on current issues such as air pollution and traffic management. In many cases this made for good well thought out reasoned analysis and evaluation.

To investigate the environmental or ethical practices used by businesses.

A small number of centres chose to undertake this task. Most candidates decided on a clear one choice investigation and either opted for the environmental aspect or the ethical issues. Some candidates, however, chose to discuss both aspects.

Ethics were generally described as businesses operating in a moral way, and candidates were able to give good reasoning as why they would wish to do this. Main reasons included to build customer loyalty, to have a Unique Selling Point or to attract the best workers, although being ethical may cost the business more money and may not be the most profit maximising method of operation.

The candidates in general chose suitable business to research and many were in the food or beverage industry, whereby businesses are able to take advantage of the ethical sourcing of ingredients or raw materials.

Some candidates chose a different theme and discussed how businesses supplied products that were produced using child labour in developing countries. This proved to be a challenging subject to collect research, and as a result the work produced by candidates contained a significant amount of text book theory and not so much research material and

therefore lacked the higher level analysis and evaluation required to achieve the higher mark bands.

Candidates that chose to focus on environmental practices produced work that was somewhat stronger, with candidates having a good working knowledge of many environmental issues.

The type of research collected varied with the particular business under investigation, but in general fell into 4 main categories. Firstly, the introduction of energy generating equipment such as solar panels, secondly the use of energy saving products within the business, thirdly the reduction of waste products from the production process and finally the appropriate recycling of any waste products.

Having collected research the majority of candidates were able to analyse and evaluate their findings to a high standard, and produce an assessment of a high standard, thus leading to valid well justified conclusions.

To investigate the sources of finance available to small businesses in your area and a large limited company.

Very few centres selected this task. Generally candidates chose suitable businesses to investigate and differentiated well between the small business and the larger limited company.

However, there was a tendency for a few centres to focus too much on textbook theory and give generic responses to sources of finance, this approach did not answer the task and would have affected the marks available. For some centres there was very little evidence of primary or secondary research.



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