



GCSE EXAMINERS' REPORTS

BUSINESS STUDIES

SUMMER 2016

Grade boundary information for this subject is available on the WJEC public website at:
<https://www.wjecservices.co.uk/MarkToUMS/default.aspx?!=en>

Online Results Analysis

WJEC provides information to examination centres via the WJEC secure website. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.

Annual Statistical Report

The annual Statistical Report (issued in the second half of the Autumn Term) gives overall outcomes of all examinations administered by WJEC.

BUSINESS STUDIES

General Certificate of Secondary Education

Summer 2016

Written Examination

General comments

The paper proved to be comparable to the previous year's examination paper in terms of accessibility, with a similar mean mark. There were only a few extremely low marks suggesting that the weakest candidates were able to provide credit worthy answers to most questions. The best candidates performed well across the assessment objectives. They had good knowledge of terms and concepts which were applied to specific criteria and balanced arguments were provided when required.

The early questions were similar in nature to those previously set in papers. They were answered well, generally, with most candidates gaining good marks. However, there was evidence of some failing to attempt the challenging shorter questions, which might have been answered with a little thought. A small number of candidates even failed to attempt the multiple choice questions where marks might have been gained.

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, illustrating in-depth knowledge and understanding as well as analysis and good evaluation. However, as with previous years, there are examples of evaluative questions having one-side answers. There was some excellent examples of application to the businesses provided in the scenarios; however this is an area that could be further developed.

The quality of written communication continues to be good. With accurate spelling observed and nearly all answers were legible and well written.

Individual questions

1. Candidates exhibited a good understanding of the private and public sector, with very few failing to find at least two of the three examples of public sector services. Most were able to select three correct examples.
2. This question proved quite challenging for candidates. Most selected at least one method of sales promotion. However, a minority of candidates were unable to select both methods of sales promotions.

3. This was a fairly standard question which produced the usual textbook responses including; advertising the job, shortlisting and interviewing. However, a few candidates incorrectly suggested training as a stage in the recruitment process.
4.
 - (a) Very few got this question wrong with most candidates outlining the fact that it is a legal payment or a deduction that **must** be paid.
 - (b) Many candidates were able to achieve full marks and appreciated that net pay involved subtracting deductions from gross pay, although a few did add the numbers together.
5.
 - (a) Many suggested Trade Union as being the correct answer but the most popular incorrect response was Marketing Department.
 - (b) Partnership was correctly suggested by nearly all candidates.
 - (c) Cash Flow Forecast was correctly identified by nearly all candidates, with the most popular incorrect answer being Profit & Loss Account.
 - (d) Candidates appreciated that Job Production is used to produce unique products to the requirements of the customer. Very few gave the incorrect answer - Flow Production.
6. This proved to be the most challenging question on the examination paper. Many candidates were able to gain marks by referring to customers having less or more money to spend on goods and services. However, a significant number of candidates failed to recognise that the question required them to focus on how higher inflation and reduced interest rates affected the business rather than the individual consumer.
 - (i) There were some excellent responses that referred to the impact of inflation causing business costs to rise and therefore profits may fall. Others outlined the impact on customers having to pay higher prices. However, a minority of candidates failed to fully explain the impact of an increase in inflation on a business.
 - (ii) For Interest rates the best candidates referred to businesses and customers having more income which can lead to an increase in profits or sales for the business. A few candidates used the term disposable income when referring to the impact of falling interest rates on customers but then failed to explain the impact on a business.
7.
 - (a) Methods of market research is often assessed in GCSE examinations. Many candidates were able to accurately identify an example of secondary research, with most providing the Internet as a response. However, a small number of candidates incorrectly believed that online surveys were a form of secondary data.
 - (b)
 - (i) Most candidates accurately identified questionnaires or surveys as an example of field research. Very few got this wrong but it could be perceived that those that did had limited to no knowledge of field (primary) research.
 - (ii) Many candidates were able to achieve at least one mark for this question by either providing a benefit of field research or by providing the explanation to a benefit. The best answers provided a benefit such as the information will be more accurate or up-to-date and then fully explained the benefit to ARK windows.

- (c) Most candidates were able to suggest reasons why the business will benefit from being run as a sole trader. The best answers provided one benefit, for example to be in complete control, and then went on to explain or develop the reason.
 - (d) Some candidates incorrectly interpreted this question as to why improving quality is important to the business rather than how it may be achieved. Many candidates were able to at least suggest two ways to improve quality. These ranged from the use of quality materials, the recruitment and training of skilled workers to the adoption of quality control and assurance methods. The best candidates accurately applied these methods to the business in the scenario. Credit was given for a description of quality assurance but only once and a minority of candidates were unable to explain them accurately.
 - (e) Sources of finance is often assessed, however, it has never been a longer question requiring evaluation. Most candidates were able to identify at least two sources of finance. The most common choices were bank loan, government grant and personal finance/retained profit. A large majority were able to evaluate their choice of finance with reference to cost of borrowing, ability to repay or the ease of access. Some errors with this question included; candidates not appreciating that the finance methods chosen should be long term sources, some candidates wrote good discussion points on both overdrafts and trade credit which could not be awarded, and a few candidates felt that government grants had to be repaid - which is incorrect.
- 8.
- (a) Similar questions have been assessed in the past in relation to Limited Companies. Those candidates who achieved full marks focussed on limited liability as an advantage and limited shareholders / lack of finance as a disadvantage. However, a few candidates incorrectly suggested that Private Limited Companies have unlimited liability.
 - (b) Most candidates were able to achieve at least one mark on this question, with increasing sales and profit the most common aims provided. However, a few candidates did not read the question properly and included growth as a business aim.
 - (c) This area of the specification has not been assessed for some time. Most candidates were able to achieve two out of four marks for identifying an advantage and disadvantage of a democratic leadership style. However, a minority found it more challenging to achieve full marks by not providing full explanations or by not relating the advantages and disadvantages to the business.
 - (i) The most common answers referred to generating more ideas as an advantage.
 - (ii) Shareholders having disagreements was the most common disadvantage. A number of candidates suggested that the leader may lose power or be forced into making the wrong decisions as a disadvantage – these responses were not given any credit because the leader still gets to make the final decision.

- (d) This question proved quite difficult to achieve two marks. Candidates were able to identify a piece of legislation or legal responsibility a business has to its workers. However, while the name of the relevant law was not necessary to gain full marks, candidates need to be aware that when the mark allocation is two, there needs to be some development of a basic point. For instance 'must pay minimum wage' is only worth (1) and needs to be qualified/developed for a second mark - it is age related / it is £5.70.
- (e) Selling on the Internet is often questioned in some capacity. Therefore it was a surprise that candidates found it a challenge. Most achieved Level 2 responses by explaining benefits and / or drawbacks of selling online. However, very few candidates provided a conclusion which was required in order to gain full marks. Some candidates tended to focus on the benefits / problems to the customer and, although there are cross-over points, the best answers focused on the business.
- (a) The topic of balance sheets has only been assessed once previously. Most candidates successfully calculated both the Total Assets for 2014 and Total Net Assets for 2013.
- (b) This question was a challenge. A large number of candidates were unable to give examples of both fixed assets and current liabilities, with a sizeable minority not understanding the concept of current liabilities. The most common example of a fixed asset was property. Some candidates stated that 'loans' were a current liability and this was not accepted because it was not time-related.
- (c) Stakeholders are often assessed in GCSE examination papers, including last year, this was evident in the responses provided. This question was generally well answered by most candidates, with the most popular choices being shareholders and the government. The common error was to state that owners and shareholders were separate stakeholders.
- (d) There were some excellent answers where candidates considered the benefits of selling a wide range of goods and services. They considered targeting new market segments, the possibility of increased sales and the spreading of risk by selling different, distinct products/services. To gain the full marks available answers had to provide good explanations of the benefits of selling a wide range. Those not achieving full marks were unable to fully develop the reasons provided.
- (e) This question was generally answered quite well by most candidates, with very few achieving zero marks, although few seemed to achieve the highest mark. The majority of answers related to the loss of jobs, drop in trade for other businesses and the reduction in traffic and pollution. The best answers also referred to the possibility of new businesses being attracted to the area to provide employment and the benefits to local small scale DIY stores. For these longer questions, candidates need to remember to develop responses and fully explain the points that they have made, whilst providing application to the scenario set.

10. (a) Branding is often assessed and therefore it came as a surprise that a small minority of candidates failed to achieve full marks for this question. Many candidates lost a simple mark by not stating that a branded product had a name/logo/symbol. Most candidates simply stated that it is recognisable or has a good reputation.
- (b) Candidates illustrated their understanding of business ethics by accurately identifying at least one way in which a business can operate ethically. The most popular answers were fair trade and fair pay to workers. Very few candidates could only access one mark by suggesting fair pay and good working conditions or fair treatment of workers - only one was credited. Others confused ethical policies with government legislation relating to the environment, workers and consumers.
- (c) The reasons given by candidates were generally about doing right by their stakeholders and as a result they will approach the business in the right way. Reasons included; gaining good publicity and improved reputation to increase sales.
- (d) A majority of candidates tackled this question well, with some exceptional answers referring to reduced staff turnover, lower recruitment costs and access to more skilled and experienced staff due to the positive reputation gained from a well-motivated workforce. Some candidates lost marks by misinterpreting the question and writing about how the business motivates the workers rather than why a motivated workforce is beneficial. Others failed to fully explain the benefits suggests.
- (e) Even though the stem of this question gave some help in explaining what an MNC is, too many candidates wrote about the advantages and disadvantages of selling abroad - this was indicated most clearly by answers which included disadvantages relating to transport costs and tariffs - issues reduced by multinational businesses. There are cross-over points such as larger markets and improved reputation but the highest marks could only be awarded when there was clear evidence that the candidate was aware that MNC's are set up in multiple countries. There were some excellent responses. Candidates achieved high marks by appreciating the benefits of cheap labour and resources and of local government assistance to multinationals, whilst also appreciating the problems of communication with far off branches and of local laws.

Controlled Assessment

Administration of controlled assessment

Centres must follow the guidelines and controls set by the WJEC. A number of centres failed to follow these controls despite feedback in previous year's reports. Centres are expected to respond to the feedback in the reports to make sure they are following the control rules, continual failure to do this could result in the complete cohort being investigated for malpractice.

Centres must make changes to the way in which they conduct controlled assessment if this is highlighted in the centre report. Centres marks will be adjusted if centres continue to ignore the advice given in the reports.

Specific administration issues include:

Portfolios should be submitted to the moderator in separate folders / document wallets for each candidate. The moderator should be able to easily identify candidates work.

The guidelines clearly state that the assessment should be done in three clear sections, the six week research section, the 200 words guidance section and finally the 3 hour write up.

All three sections should be included in the portfolio sent to the moderator for assessment.

Candidates need to cross reference the research throughout the 3 hour write up. It is difficult for moderators to award marks for research if centres have not included any in the final portfolio.

A major concern was candidates annotating or highlighting their research before the 3 hour write up. The research stage of the controlled assessment is carried out under limited control, however, this should only involve gathering primary and secondary research appropriate to the task. This research must be taken into the write up stage in its raw form. Teachers are expected to keep a log of any advice given to candidates, including general advice to the whole class and individual advice to candidates; this must be recorded on the BS3 form.

The analysis and evaluation aspect of the controlled assessment is carried out under a high level of control. Any written analysis or evaluation must be produced in this 3 hour formal supervision time. Within this time teachers are not allowed to communicate with candidates and under no circumstances give feedback on their written work.

In order to assist candidates in their 3 hour write up they are permitted to produce a 200 word summary of the main findings of their research. This should be a distinct document that can take any format the candidate wishes. This 200 word summary should not be assessed as part of the analysis and evaluation, it is simply a guide to candidates to be used in the 3 hour write up.

Both the BS2 and BS3 forms need to be signed by both the teacher and the candidate. Failure to do this slows down the moderation process as moderators have been instructed to contact centres to send these and no marks are accepted without them.

Centres must indicate on the BS3 form what assistance has been given to candidates. Many centres do not complete these with sufficient detail and as a result the moderator may not be able to support the centre marks.

Centres must follow the strict guidelines with regards to the use of computers to produce the analysis and evaluation. Candidates are not allowed to have access to any electronic research either stored on the school network or via portable storage devices. They should not be inserting images from the Internet in the 3 hour write up.

Centres are required to include the task guidelines used in the centre with the sample sent to the moderator. This helps the moderation process and allows the moderator to understand why candidates have approached a task in a certain way. Many centres fail to do this and this does not help the moderator in agreeing with centre assessment.

In larger centres where there is more than one teacher delivering and assessing candidates' work the centre should provide documentation or comments to show that internal moderation within the centre has taken place.

When common resources have been issued by candidates, such as the visit of a guest speaker or a class visit to a business site, candidates should only be awarded the top marks in criteria B if candidates have added significant individual research to the generic class research. The criteria ask for at least 4 pieces of research above and beyond that of what is distributed to all candidates.

Controlled assessment tasks

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

The assessment required candidates to investigate the pricing and promotional strategies only. A few candidates investigated all the 4P's and had detailed research and analysis on product and price. For some this involved a significant amount of effort that did not answer the required assessment criteria.

The promotional aspect of the assessment was generally done to a very high standard, with candidates able to access a significant amount of a variety of promotional material and describe and evaluate it in some detail. The amount of research undertaken on the use of social media as a tool of promotion was substantial and the majority of candidates did this aspect well.

Candidates found the pricing strategies somewhat more challenging and many described the basic textbook theory strategies used by businesses. Stronger candidates then developed this theory to a higher level by including research on price lists from businesses and comparing actual prices of products from similar business and relating the prices charged to a specific strategy.

To investigate the impact on local stakeholders of a major business change in your area.

A number of centres looked at the effects on local stakeholders on the development of a business activity in their chosen area.

Centres need to be careful when choosing the development that it does need to affect a number of stakeholders.

A number of these opted for a development that was mainly a public sector development where the variety of stakeholder affected was somewhat limited.

One centre in particular investigated a local development plan of a local authority and the building of approximately 5000 houses in a particular area. The range of stakeholders was limited in discussion and the focus of the assessment was on local residents and not business stakeholders.

Very few centres chose the 2 remaining assessments.

To investigate the environmental and ethical practices used by businesses in your locality.

Many candidates started by explaining why businesses needed to know the advantages of using ethical and environmental policies. Many candidates then followed on from this by adding that businesses then tried to achieve some form of recognised qualification / certification from a recognised / official body.

Candidates also described in some detail that there were financial incentives from the government to assist / change working practices / adopt new environmental technologies.

Possibly candidates found it somewhat easier to access research material on the environmental issues and, therefore, the majority produced work that had a stronger emphasis on environmental aspects rather than a 50/50 split between the 2 topics. Research was readily available from the internet or in local or national press.

Occasionally candidates discuss health and safety as an ethical issue referring to health and safety legislation, although this can be an ethical issue to an extent, candidates should have given examples of how businesses went beyond the legal requirement of that particular issue. This could have been developed further by some candidates.

To investigate ways in which businesses have gained from the use of ICT applications.

In general this task was done to a good standard and some candidates demonstrated a good knowledge of e-commerce which was backed up with relevant examples.

One or two centres gathered primary research through questionnaires or interviews with key personnel within the business which was conducted to a good standard. However many candidates didn't undertake any research beyond this.

A vast amount of research material on ICT issues is readily available on websites, for example, point of sale, payment methods, stock control and distribution. In addition businesses also have tailor made systems which are specific to their business or organisation. Candidates needed to research these specific systems and analyse these in order to access the higher bands in the marking criteria.

It should be noted that the four options of controlled assessments for 2017 are different from those submitted in 2016. Titles are available on the WJEC website.



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