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# **GCSE EXAMINERS' REPORTS**

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**GCSE (NEW)  
BUSINESS**

**SUMMER 2022**

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**BUSINESS**  
**GCSE (NEW)**  
**Summer 2022**  
**UNIT 1: BUSINESS WORLD**

**General Comments**

Many candidates were able to demonstrate knowledge and understanding across the majority of the examination paper. The more able candidates performed well and were able to display their flair for the subject by creating in depth answers, making the most of the data provided. Candidates who took time to read the questions and information carefully, so they were able to make accurate points relating to the business in each question, produced the best answers.

The early questions were the most accessible on the paper with over 99% of candidates attempting questions 1, 2 and 3. They were mostly answered well, with the exception of question 3(c). Excluding 3(c), the mean mark for those questions was just below 6 out of 7. This shows that candidates had good knowledge of key terms.

Most candidates attempted the more challenging longer questions, with relatively few receiving no marks for any question that they attempted. The more able candidates provided some excellent responses to the longer questions. They had good knowledge of terms and concepts, which they applied to specific criteria. Data was analysed appropriately and included, to support their arguments. In the very good responses, the evaluation considered both the positive and negative impacts of business decisions.

The main issue arising from this year's examination paper, as it was in 2019, was the lack of application (AO2). 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 marks for AO2.

Although understandable, given the disruption to the candidates' education over the past 2 years, the quality of written communication was significantly lower this year, compared to the previous series. There were quite a number of examples where writing was barely legible and poorly written. There was some difficulty with faint scripts, which may have been caused by candidates writing in pencil.

**Comments on individual questions/sections**

- Q.1** Nearly all candidates selected the correct examples of the responsibilities of the finance department. The most common incorrect answer was "preparing contracts of employment".
- Q.2** Many candidates correctly selected the two external sources of finance. However, just under 16% of all candidates incorrectly selected "retained profits" as one of their answers.

**Q.3** This question was not answered as well as question 1, although many candidates answered them all correctly. Most candidates that failed to get maximum marks struggled with 3 (c). Nearly all those candidates that did not get 3 (c) correct, selected 'Limited company' instead of 'Cooperative'.

**Q.4 Joseph's Fish and Chip restaurant and takeaway**

- (a) Whilst over 90% of candidates attempted question 4, many of them struggled to gain more than half marks for questions 4 (a), (b) and (c). Whilst designed to be accessible, many of the candidates could not calculate the average number of customers in question 4 (a). Those that got less than two marks made one of two errors. Either, they did not add up the data correctly or they divided by the incorrect amount. Rather than dividing by 9, as this was the number of months the data showed, many divided by 12 instead.
- (b) This question proved equally difficult with the average mark being only 1.2, although the standard deviation suggests that candidates results were spread widely over 0, 1 and 2 marks. This suggests that those that attempted the question were awarded either 0 or 2 marks. Many candidates gave examples of environmental policies, which was allowed for one of the answers, but struggled to state an ethical practice.
- (c) This was a question that many candidates struggled with, despite over 90% of the candidates attempting it. Generally, candidates could state a problem with a business being ethical e.g., expensive. However, most of those could not explain why e.g., as ethical products cost more to buy. The biggest difficulty candidates faced was relating their answer to Joseph's takeaway business. The question specifically asks, "Why Joseph may experience problems" but many candidates did not apply their answers to the business in the question, which meant they could not access the AO2 marks.

**Q.5 Noorie's Nail Bar**

Many candidates struggled with the break-even chart questions.

- (a) (i) Statically Q.5 (a) (i) was the fourth most difficult question on unit 1, with only 30% of candidates awarded one mark (out of one). A few of these were down to not labelling the Total Revenue line, but the vast majority were drawn incorrectly. Candidates often drew the line from (0,0) to (400,8000) which was from one corner to the other. Others were clearly unaware of how to plot the Total Revenue line or calculate revenue when given the price of an item.
- (a) (ii) Many candidates were able to calculate the break-even point, even if they drew the Total Revenue line incorrectly due to OFR (own figure rule). This meant that if they used their incorrect line but still stated the output that  $TR = TC$  then were awarded a mark. Often those that were unsuccessful did not have a TR line that crossed the TC line, which meant they did not have a break-even point to state.

- (b) Statistically, this was the question that candidates found the most difficult. The most common error was not stating what an increase in income tax meant and therefore how it affected individuals. Many answers were generic and spoke in general terms about tax. Some candidates confused income tax with either corporation tax or interest rates. Many of the candidates did not answer in the context of the business, which provides a luxury service and is therefore more likely to suffer fewer sales due to customer's earnings being spent on essential products/services.

## **Q.6 Play and Learn Nursery**

This proved to be the most accessible of the last four questions, with over 95% of candidates attempting to answer each part of question 6.

- (a) The spread of marks show most candidates got either 2 marks or 0. This suggests that candidates either understood percentage increase or not. Only a few candidates got 1 mark for their workings. Those that got the answer wrong generally used the wrong denominator or miscalculated the change from 2006 to 2018.
- (b) Most candidates were able to make an observation from the graph. Most said that the number of 0-4 year olds had increased. However, candidates then struggled to say why this was important to Play and Learn Nursery. This shows that candidates are not using the information to make informed suggestions.
- (c) Just over 60% of the candidates got this correct. Nearly 40% of candidates could not name a source of secondary research other than the internet. Many of the incorrect answers were primary research methods.
- (d) (i) 80% of candidates could identify one method of primary research. Those that did not, generally described a method of primary research, but this was awarded no marks.
- (ii) A large number of candidates identified an advantage of using primary research. Once again, the difficulty most candidates faced was describing how it would help Penny, the owner of a small, local nursery (AO2).
- (e) Many of the candidates could select a suitable piece of information that would help an owner measure business performance e.g., customer feedback, profit and loss account etc. However, many could not say how they would use it e.g., check against targets, competitors or previous years. Even fewer candidates went on to explain how that could show success (or failure). E.g., surpassing targets would indicate success.

- (f) The average mark on this question was 3.5 out of 8. There were some good answers relating to taking on a business partner although too many were only gaining AO1 marks. Most candidates were able to get AO1 marks, due to their knowledge and understanding of the characteristics of a partnership. However, many did not access the higher AO3 marks as they did not explain the impacts of the advantages and disadvantages. Often, there was no analysis beyond stating how changing from a sole trader to a partnership could be an advantage or disadvantage to the owner. AO2 marks, application, were again a real issue for the vast majority of candidates. Most candidates did not use any of the data from the information provided or used it superficially e.g., new capital invested into the business could be used to buy toys. The lack of AO2 and AO3 marks reduced the number of candidates being awarded the top marks.

### Q.7 Designer Sofas UK

The average marks on this question were a little lower than expected and the spread of marks between the most able and the less able candidates were noticeable.

- (a) (i) Many candidates were able to select mass or batch as the most suitable method of making identical standardised furniture. However, a large number could not explain why, or confused their description of mass and batch so were only awarded one mark.
- (ii) Like the previous question, candidates were able to select job but not describe how it was suitable for making individually designed goods. Common errors on both (a)(i) and (a)(ii) were getting the two questions the wrong way round e.g., Job for (a)(i) or giving CAD/CAM or JIT/JIC as the answer.
- (b) The average mark on this was 2.1 out of 4, showing that many candidates did not fully understand CAD/CAM. Very few candidates explained what CAD and CAM were. Also, candidates made generic comments about CAD and CAM without being specific about the benefits of each.
- (c) Many candidates struggled with this question. The biggest issue was the AO2 aspect of the question that meant some answers were not suitable e.g., health and safety of customers in the shops. As an online only business, this was not a valid answer. In addition, many candidates talked about employee law, which is also incorrect.
- (d) Although this was written as an accessible 10 mark question it had the lowest attempt rate (88%) of any of the extended writing questions. It also had the lowest average mark of the questions at only 3 out of 10. This is likely to be in some part down to the low attempt rate but also due to the large number of marks awarded for AO2. Those candidates that did attempt the question were able to demonstrate some knowledge of the place or product aspects of the marketing mix. This question had 5 AO2 marks available due to the amount of information provided but many candidates did not utilise it. Information such as:
- It was an internet only business (no physical stores)
  - Sells to the whole of the UK.
  - Only sells sofas, tables and chairs (Limited range and bulky items)

- Some products are exported abroad
- One factory in North Wales
- Sells standardised and individual designed products
- Wants to increase market share

Candidates should be making direct reference to this data to support their evaluation and being awarded AO2 marks. Many candidates also struggled to earn many AO3 marks, instead making limited and superficial points. Often candidates used generic benefits of their strategy such as increasing profits. Very few considered the negative impacts of their new strategy, which was needed for three, AO3 marks.

## **Q.8 Gymshark**

Each part of this question was attempted by over 90% of candidates, showing that Gymshark, as a business, was popular and the set of questions were deemed accessible.

- (a)** 96% of candidates attempted this question about the characteristics of an entrepreneur. Excluding the first three questions, this had the highest success rate on the paper. Most candidates could select a characteristic of an entrepreneur and select a piece of the data from the stem to support their answer.
- (b)** Many of the candidates attempted to calculate 48% of £261 million but relied on the non-calculator method e.g., find 10%, then 5% then 1%, then 3% etc. Those that did calculate 48% sometimes forgot to add on to the original amount of £261 million, whilst many of the marks were lost for not including the units (millions) and just writing £386.28 which was awarded 0 marks.
- (c)** Whilst nearly 99% of candidates attempted the intellectual property question, only 52% actually got it correct. Nearly all the incorrect responses thought the name and logo of a product is protected by copyright.
- (d)** Despite 95% of candidates attempting this question, it was one of the questions where most candidates struggled. Customer service was added to the specification in 2017. The average mark on this question was 1.5 out of 4 and this was typically because there was a lack of knowledge about the topic. Two marks were awarded for identifying stages of good customer service, which only a handful of candidates could do. The other two marks were awarded for candidates using the data to support the stage they had identified. Most gained marks for making reference to the live chat or the use of social media for communication. Despite the information stating there was no telephone or face-to-face services, some candidates still talked about those, which were marked as incorrect.
- (e)** Over 95% of candidates attempted this question about quality. Whilst many could identify why quality was important to a business (AO1 marks) e.g., brand loyalty, charging a higher price, very few related this back to Gymshark. Candidates were expected to use the data to support their answers. The data they could have used included: Quality products had enabled Gymshark to make rapid growth of revenue, the sports clothing market is highly competitive, Gym wear needs to be durable, to maintain its Trust Pilot rating

or to reduce returns which is difficult with an online only business (AO2). The average mark was 2.3 showing very few were awarded the AO2 marks.

- (f) Candidates could discuss the positive impacts of using e-commerce and m-commerce on stakeholders. Some candidates did not write about the owners, customers and competitors and chose some of the other stakeholders instead. Very few candidates explored the negative impacts of using e-commerce and m-commerce on stakeholders, which limited their AO3 marks. Too many candidates had limited discussion and simply stated the owners would make more money or competitors would lose money. Those candidates that referred to the brand ambassadors, their 20 million followers, the free clothing or the benefits of using YouTube/Instagram to promote clothing, were awarded AO2 marks.

### **Q.9 Tata**

Whilst it wasn't the least attempted set of questions on unit 1 it did have a low average mark of just 7 out of 20.

- (a) Most candidates could identify a financial benefit of diversifying e.g., more profit and also knew the concept of spreading risks (entering new markets). However, very few mentioned other answers such as economies of scale, expanding the business or reducing costs from supplying themselves i.e., backward or forward vertical integration.
- (b) This question highlighted a real gap in knowledge about location. Nearly all candidates identified factors associated with siting rather than location. This gap in knowledge significantly hampered the marks awarded. The average mark on this question was 1.5 out of 4. Candidates commonly selected answers such as footfall, accessibility etc. Some of the correct answers for siting also are valid for location but the explanation is different, and therefore limited the number of marks the candidates were awarded.
- (c) Many candidates could calculate 35% of \$100.3 which is \$35.105. However, many of the candidates did not use the correct units leaving their answer as either \$35.105 or incorrectly stating \$35.105 million. The value in the graph is billions (b) and needed to be represented in the answer to be awarded the mark. This issue meant the average mark was only 0.4 out of 1. This question was only attempted by 85% of the candidates, which suggest they struggled finding the information from the graph and written information.
- (d) Most candidates could identify that sustainability was concerned with not harming the environment or being eco-friendly, which earned one mark. However very few completely understood the concept, which is related to business activity and using finite resources responsibly.

- (e) Over 90% of candidates attempted this question about globalisation. The average mark for this was 3.6 out of 10 which shows many candidates had a good attempt at it, despite it being the last question on the exam paper. Most candidates showed good knowledge and understanding of the opportunities and threats of operating in a global marketplace. However, many do not get beyond listing these and using generic terms such as being well-known. Candidates also struggled to discuss these in much depth, with many adopting the simplistic assessment that it would lead to more or less profits. Candidates need to be prepared to develop their writing skills so that they can earn more AO3 marks and explain their knowledge fully. Again, the most disappointing aspect was the lack of application to Tata.

The candidates were given plenty of information to support their discussion. Examples include; Tata being an Indian business (not UK), Tata's different market sectors and brand names (having over 100), employing over 700,000 people worldwide, being based in 150 different countries, total revenue of over \$100.3 billion and revenues of over \$60 billion outside of India. Despite this many candidates use generic answers such as referring to a UK business, rather than India, using the pound as the currency and still using terms such as products rather than using the examples highlighted. The best candidates need to be able to make these links to the data to access AO2 marks and support their knowledge.

### Summary of key points

- Low application (AO2) marks. Candidates continue to ignore the data provided and give generic answers.
- Low evaluation/analysis (AO3) marks. Candidates did not consider both the positive and negative aspects of their suggestions. Candidates often make repetitive statements such as earning more money, without explaining how they have come to that conclusion and using more accurate terms such as revenue or profits.
- There are gaps in knowledge, particularly in the newer topics on the specification such as customer service and intellectual property.
- Too many candidates do not have the necessary quantitative skills. There are common errors such as not rounding correctly or not stating the units in the answer. These are losing the candidates many marks

## **BUSINESS**

### **GCSE (NEW)**

**Summer 2022**

#### **UNIT 2: BUSINESS PERCEPTIONS**

##### **General Comments**

This paper proved highly accessible with all but one of the questions having an attempt rate of 95% or more.

Too many candidates missed out on some quantitative skills marks due to them not providing any units in their answers. Candidates need to state units in order to earn full marks for calculations. If the question is only worth one mark, as they were in this exam, then the candidate is awarded 0 marks.

AO2 was again an issue on this unit, with many candidates not using the case study to support their answers. Many of the answers were generic. However, this year, many other candidates had attempted to use lots of information from the resource material. Unfortunately, this was done using a scattergun approach, which very often meant that they did not select the appropriate data for each question.

Candidates must know the command words and assessment objectives (AOs) so they can identify the requirements of each question and therefore gain further marks. There are specific words that indicate how marks are awarded for a question and which AOs candidates will be expected to cover in their responses. AO1 marks require demonstration of knowledge, AO2 marks reward candidates that use the information to support their answers (application) and AO3 marks are gained through candidates analysing and evaluating. As well as the command words, candidates need to be aware that mentioning the name of a specific business in the question also requires an answer that considers the context of the business.

There were cases of candidates not clearly labelling the question number on the additional materials. Without proper labelling, it is very difficult to link the original answer with the additional notes the candidate made. It is imperative that this labelling is done clearly so candidates can be awarded marks that accurately reflect their performance in the exam.

##### **Comments on individual questions/sections**

- Q.1 (a)** The item level data suggests that candidates generally got 0 marks or 2. The best answers clearly understood the difference between a wholesaler and a retailer and had more information than was necessary for the two marks available. Some suggested both buy from manufacturers/producers, which is not a difference, so did not earn any credit

- Q.1 (b) (i)** This question had the highest success rate on the paper. However, given the nature of the question it would seem reasonable to expect more than the 85% success rate. As the data suggests most candidates identified Aldi as having the highest growth in market share between 2012 and 2018. However, the remaining candidates did not read the question carefully enough and instead wrote “Tesco”, which has the largest market share but not market share growth.
- (ii)** Many of the candidates gave good responses to this and suggested suitable reasons why Aldi’s market share had grown. Nearly 60% of candidates provided a suitable answer to this question. The most common answer, by far, was suggesting they opened more stores. Those that got it incorrect provided answers such “as got more customers” or “made more sales”.
- (iii)** Candidates needed to realise that competitive markets have a large number of businesses offering similar products. Many of the candidates wrote about customers and their needs rather than focussing on the businesses. Too many of the answers repeated the word competitive without explaining what it meant. This was the reason for the relatively low average mark.
- (c) (i) (ii)** These questions had the second and third lowest mean mark despite them being accessible questions. The reason for the disappointing mean mark was that many of the candidates failed to add units to their answer. It is imperative that candidates know that they must include millions or billions when doing calculations unless they write out the whole figure. This is especially important when figures are taken from a table where it states a unit at the top of the column.
- (d)** Many of the candidates were able to extract information from figure 1 and figure 2 to earn marks. However, many were unable to link this to shareholders and how they were unhappy. Nearly all candidates that attempted the question stated that Tesco’s market share had fallen but did not suggest that this showed a fall in revenue or sales or could adversely affect the share price of Tesco. Using figure 2, most were able to state that net profit had fallen in 2018. However, a number of candidates incorrectly said net profits had increased due to them getting 2018 and 2017 columns confused. Other errors include, mentioning profit and not being specific. In 2018 gross profit actually increased so this couldn’t be accepted. The candidates generally struggled to provide a reason that shareholders would be unhappy or spoke in general terms about getting less profit. Ideally, candidates would have referred to dividends or returns on investments.
- (e) (i)** The candidates generally did well on this question about branding. The most common answers were about logo/names and quality. Those that did not earn full marks struggled to name more than one characteristic.

- (ii) This question was the hardest performing question on the exam, with an average mark of only 2.6 out of 6. The best answers used supporting data from the case study to make the points about branded and non-branded products. Many candidates explained that non-branded products are cheaper but very few used the information in the table to support this. From looking at the table, many candidates understood that Aldi and Lidl were discount chains and were gaining the most in market share. Again, very few candidates referred to this. A number of candidates mentioned the branded products that Jack's was stocking e.g., Coca-Cola but used it in quite a limited way. This limited the AO2 marks that they were awarded. The explanation of the benefits of selling branded and non-branded items was not fully explored and often focussed just on prices. The lack of detailed explanation about branding meant that many candidates did not receive more than one AO3 mark.
- (f) Despite having a 96% attempt rate, which is very high for the last question, many candidates struggled to gain most of the marks. The average mark on this question was 4.4 out of 10 and the majority of those were often for the AO1 marks available on this question. The case study described how the business was growing internally and externally and highlighted the difference between the two. This meant that AO1 marks were available to candidates who used the information in the resource booklet or used their own knowledge. Many of the candidates were able to gain some AO2 marks on this question by referring to Booker or Jack's. However, very few candidates explored the rest of the information available to them. Details such as the Profit and Loss Account, the costs of each (£4 billion and £25 million), 3 years taken to develop and open 7 stores, the growth of competitors' market share in that time, the size of Tesco already and the number of competitors in the marketplace. These points were included to help candidates think of the advantages and disadvantages of internal and external growth. Unfortunately, most candidates did not evaluate the methods of growth and instead made comments about having a larger market etc. Very few could make reference to the fast nature of external growth, enabling Tesco and Booker to gain further economies of scale. Of all the disadvantages, the cost of external growth was mentioned the most, although many thought internal growth was also expensive despite the large difference in expenditure. This was the same for internal growth with many candidates referencing footfall as reasons to open Jacks. Many candidates referred to Tesco and other large supermarkets using wholesalers, which demonstrated a lack of understanding of the channels of distribution.

### Summary of key points

- Candidates need to check units when doing quantitative skills.
- Candidates must be selective about which data they use.
- Candidates must include words, phrases and sentences from the resource booklet to help support AO2 marks.
- Candidates must evaluate their answers fully and not assume everything relates to sales and profit. Excellent evaluation involves explaining their thought process throughout and considering the negative aspects about a business strategy.



WJEC  
245 Western Avenue  
Cardiff CF5 2YX  
Tel No 029 2026 5000  
Fax 029 2057 5994  
E-mail: [exams@wjec.co.uk](mailto:exams@wjec.co.uk)  
website: [www.wjec.co.uk](http://www.wjec.co.uk)