

GCE Examiners' Report

Business

GCE

Summer 2025

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Introduction

Our Principal Examiners' report provides valuable feedback on the recent assessment series. It has been written by our Principal Examiners and Principal Moderators after the completion of marking and moderation, and details how candidates have performed in each unit.

This report opens with a summary of candidates' performance, including the assessment objectives/skills/topics/themes being tested, and highlights the characteristics of successful performance and where performance could be improved. It then looks in detail at each unit, pinpointing aspects that proved challenging to some candidates and suggesting some reasons as to why that might be.¹

The information found in this report provides valuable insight for practitioners to support their teaching and learning activity. We would also encourage practitioners to share this document – in its entirety or in part – with their learners to help with exam preparation, to understand how to avoid pitfalls and to add to their revision toolbox.

Further support

Document	Description	Link
Professional Learning / CPD	WJEC offers an extensive programme of online and face-to-face Professional Learning events. Access interactive feedback, review example candidate responses, gain practical ideas for the classroom and put questions to our dedicated team by registering for one of our events here.	https://www.wjec.co.uk/home/professional-learning/
Past papers	Access the bank of past papers for this qualification, including the most recent assessments. Please note that we do not make past papers available on the public website until 12 months after the examination.	Portal by WJEC or on the WJEC subject page
Grade boundary information	<p>Grade boundaries are the minimum number of marks needed to achieve each grade.</p> <p>For unitted specifications grade boundaries are expressed on a Uniform Mark Scale (UMS). UMS grade boundaries remain the same every year as the range of UMS mark percentages allocated to a particular grade does not change. UMS grade boundaries are published at overall subject and unit level.</p> <p>For linear specifications, a single grade is awarded for the subject, rather than for each unit that contributes towards the overall grade. Grade boundaries are published on results day.</p>	For unitted specifications click here: Results, Grade Boundaries and PRS (wjec.co.uk)

¹ Please note that where overall performance on a question/question part was considered good, with no particular areas to highlight, these questions have not been included in the report.

Exam Results Analysis	WJEC provides information to examination centres via the WJEC Portal. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.	Portal by WJEC
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Executive Summary

All four examination papers were of a similar standard to previous examination series.

The overall standard of candidate performance was encouraging. Many demonstrated competent written skills and managed their time effectively throughout the four examination papers.

Once again candidates were able to demonstrate a good level of knowledge and understanding from across the full A level content. However, there were some obvious gaps in knowledge and some incorrect understanding of key business terms.

There was a notable issue with quite a few candidates not reading the questions carefully. This was twofold, firstly not recognising the command word in the question and giving applied responses when the question explicitly refers to a specific business or context and secondly not reading all aspects of the question to ensure the response is tailored to what the actual question requires.

Although there was a marked improvement in demonstrating application skills (AO2), still too many candidates do not use the given data to focus their responses and there is a tendency to give generic responses when an applied response is needed. Many candidates are able to use the quantitative data in a more meaningful and analytical way, but the use of qualitative data is still relatively weak, often ignored.

An improvement was also seen in analysis skills (AO3) with many candidates able to construct lines of reasoning and developing their responses. However, far too many candidates are not achieving good or excellent AO3 marks as they tend to describe their development rather than analyse. Evaluation (AO4) remains a weak aspect for many candidates, many either overlook to offer any evaluation or restrict it to a brief comment in their conclusion. Stronger candidates, by contrast, embed their evaluation throughout their responses, critically weighing arguments and showing a clear line of reasoning that led to well-justified conclusions.

Although there was an improvement in the way candidates followed good structures in their responses, an increasing number of candidates did not use paragraphs in their writing, making it more difficult to separate out chains of argument. However, the quality of written communication was a concern in all four units. Some scripts were barely legible. If the examiner cannot read the writing, then the examiner cannot award any marks.

Many candidates performed well in the calculation questions, clearly setting out their answer and following the clear format of:

- stating the formula when relevant
- showing workings
- expressing numbers to two decimal places with correct rounding
- using units of measurement in final answers

A reminder that centres need to reinforce with candidates the synoptic nature of the unit 4 examination paper. Candidates will be assessed on content across the full qualification.

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UNIT 1: BUSINESS OPPORTUNITIES

Overview of the Unit

The 2025 examination paper was accessible to almost all candidates. This was evident with the average attempt of 95.7% per question (97.8% 2024).

Candidates continued to demonstrate an ability to attain marks across each of the four assessment objectives, and there was a marked improvement in candidates attempting to apply information from the data (AO2).

Candidates need to be reminded to read the questions carefully and to underline key business terms and command words. Examples include:

Q.3 (c) Candidates do not seem to understand what is meant by the term impact.
Candidates need to realise that impact can be both positive and negative.

Q.3 (d) Some candidates referred to sales and revenue as a business aim. The question explicitly states, 'apart from revenue'.

Based on the facility factors, the most accessible questions for candidates were:

Q.1 (b) Market research – 69.5%

Q.1 (c) Qualitative and quantitative market research - 70.5%

Q.3 (b) Trade and consumer market - 59.9%

The least accessible questions were:

Q.2 (b)(i) Price inelastic demand – 38%

Q.3 (a) SME – 39.5%

Q.3 (f) Impact of SMEs on the Welsh economy – 38.2%

Comments on individual questions/sections

- Q.1 (a)** The opening question was answered well in terms of AO1 and describing market segmentation. However, the application (AO2) to the data was limited.
- (b)** This question asked candidates to define market research. The facility factor for this question was fairly high at 69.5%.
- (c)** This question asked candidates to define and apply qualitative and quantitative market research data. Nearly all candidates attempted this question and were able to correctly apply the terminology to the data.

- (d) Many candidates found this question challenging. The question asked candidates to consider the usefulness of qualitative and quantitative data gathered by the business in the data. Many candidates approached the question differently and focused generally on qualitative and quantitative data and did not consider the usefulness of the data to the business.
- Q.2** (a) Definition of price elasticity of demand was limited. The key word here was responsiveness and sensitivity of demand. Many candidates also incorrectly referred to income elasticity of demand.
- (b) (i) The facility factor for this question was 38% and many candidates described elastic demand instead of inelastic demand.
- (ii) The facility factor for this question was quite high at 59.6%. By far the most common answers were addictive products and necessities. It would be beneficial if candidates were taught other factors such as lack of competition/no substitutes and consumer loyalty.
- Q.3** (a) The candidates need to be taught that the correct definition of an SME is that with less than 250 employees and a turnover of less than £50m. A disappointing mean mark of 0.8 for this question.
- (b) Candidates found this question fairly accessible with a facility factor of 59.9% and most were able to describe both trade and consumer markets and apply the definition to the data. Many candidates included B2B & B2C, which was accepted.
- (c) Unfortunately, many candidates did not make the distinction between net profit and revenue. Comments on the whole were superficial with limited application to the data. Some candidates referred to the numerical data that was available to them. However, many candidates did not take advantage of the data such as the increase in profit could allow the business to invest in product development, dividends to shareholders and expansion.
- (d) As mentioned earlier, some candidates referred to sales and revenue as a business aim. The question clearly states, 'apart from increasing revenue and net profit'. The mean mark for this 6-mark question was 2.8. The main aim suggested by candidates was growth. Other aims included:
- Gaining market share
 - Improving ethics / environment
 - Increase shareholder value
- (e) Mean mark for this 10-mark question was 5.1. The question wanted the candidates to select and evaluate sources of finance for a business seeking to expand. Many candidates selected sources that were not suitable for expansion such as family and friends, overdraft and debt factoring. Although many candidates selected suitable sources their level of knowledge and understanding was limited. Candidates are encouraged to use terminology such as short term, long term, internal and external sources of finance. Additionally, a large number of candidates referred to loans as a quick and easy source of finance, which is incorrect.

- (f) The responses to this question were disappointing. Most candidates referred to the importance of SMEs to the creation of jobs. They neglected other factors such as local suppliers are benefitting, up-skilling of workers and that many SMEs are creative and export their goods and services globally. Additionally, not many candidates looked from the point of view that not all businesses succeed and that financial support from the government could be better spent elsewhere.

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UNIT 2: BUSINESS FUNCTIONS

Overview of the Unit

The 2025 examination paper was accessible to almost all candidates. This was evident with the average attempt of 93.9% per question (96.1% 2024).

The attempt percentage on question 21 - Fiedler leadership theory was low at 80.6%. This question was assessed on knowledge (AO1) only and averaged 0.5 marks out of 4.

This year, there was an improvement in questions assessing analysis (AO3). Most candidates attempted to develop their answers and provide greater depth in their explanation.

However, some candidates continue to have difficulty with evaluation (AO4). Where the top evaluation mark band requires candidates to make reasoned judgements and ensure that their responses are balanced.

Most candidates clearly understood question 44. This was numerically assessed with a mean mark of 3.3 out of 4 marks.

The quality of written communication was raised as a concern last year with a number of scripts barely legible. This continues to be a concern this year. It is heavily advised that this should be a focus during exam preparation and that candidates time their answers as the extended questions at the end of the paper are rushed and handwriting deteriorates significantly.

Based on the facility factors, the most accessible questions for candidates were:

- Q.44 (b) Percentage change – 81.5%
- Q.51 (c) Promotional strategies – 81.2%

The least accessible questions were:

- Q.21 Fiedler leadership theory – 11.7%
- Q.31 Equal opportunities – 28.3%
- Q.43 Why small businesses survive – 38.3%

Comments on individual questions/sections

- Q.11** The candidates were asked to explain the relationship between the product lifecycle and cashflow. The mean mark was 3.2 out of 6. AO1 was good with most candidates able to access the higher mark bands through having a clear understanding of the various stages of the product lifecycle. However, some candidates had difficulties in linking positive and negative cashflow with each stage. Some candidates used the term high and low levels of cashflow where ideally the term positive and negative cashflow was expected.
- Q.21** It is clear that candidates found this question difficult with a low attempt rate of 80.7% and a mean 0.5 out of 4. It was quite evident that many candidates had no knowledge of Fiedler.
- Q.22** Most candidates answered this question in one of two ways. The expected approach was for candidates to look at the importance of leadership and its impact on the success of a business and then look at other factors that could also have an impact on the success of a business such as motivation, workforce, location, marketing mix etc. Other candidates looked at the importance of good leadership, various different leadership styles and then looking at the impact of poor leadership on a business. The mean mark for this 10-mark question was 4.7.
- Q.31** This question had a low facility factor of 28.3 and a mean mark of 2.3 out of 8. Most candidates gained the AO1 marks for knowledge but found it difficult to access the higher mark bands in AO3 & AO4. In order to access these bands, the candidates were required to look at the positive and negative impacts of equal opportunities on both the employee and the employer. Most candidates focused from the perspective of the employer.
- Q.41** Distribution channel - Candidates were able to identify that the clothes manufacturer would sell clothes to 'small independent clothes shop' but did not include that the clothes shop would then sell on to the consumer.
- Q.42** The question asked candidates to outline suitable distribution channels the business could use. Most candidates were able to identify these distribution channels (AO1) but found it difficult to apply (AO2) the distribution channel to a luxury clothing brand such as setting up their own high end professional website or selling their clothes through other high end / luxury clothing retailers.
- Q.43** The mean mark for this question was 2.3 out of 6. Candidates were asked to explain why small businesses continue to survive. Most answers looked at niche markets and loyalty. However other responses could've included better customer service, higher quality of products or service and that small business now have access to e-commerce / m-commerce and social media and that this widens their appeal. Furthermore, many candidates were stating factors why small businesses survive and not developing their answers (AO3).
- Q.44** This question was well answered with a mean mark of 3.3 out of 4. Most candidates correctly calculated the new monthly rent but the question wanted the new annual cost of the rent. Therefore, candidates came up with £1287.50 but did not multiply the answer with 12 (months). Candidates still need to be reminded to include the £ sign.

- Q.45** This question required the candidates to use both qualitative and quantitative data to improve the business's cashflow. Ideally candidates would identify a way to improve cashflow and look at the positive and negative impact of implementing this method. Many candidates used the quantitative data only and in order to reach the higher mark bands the candidates needed to analyse (AO3) and evaluate (AO4) both quantitative and qualitative data.
- Q.51** The facility factor of 81.2% was the highest in unit 2. With the majority of candidates able to correctly state one above the line and one below the line advertising strategy.
- Q.52** The majority of candidates were able to gain the knowledge marks through demonstrating an understanding of the importance of branding. However, insufficient use of the data relating to Vodafone was used (AO2). Some candidates used their own examples rather than referring to the data.
- Q.53** Most candidates were able to suggest and describe methods of flexible working practices. Some had difficulty in describing hot-desking and job sharing. Other candidates suggested hybrid working but the question explicitly states, 'Apart from home working'.
- Q.54** The mean mark for this question was 5.6 out of 12. The question required candidates to evaluate the impact of home working on Vodafone and its employees. There was good use of the data, and many candidates looked at the positive and negative aspects of home working. The impact needed to be on both Vodafone and its employees to achieve top mark band 2 in AO4 and mark band 3 in AO3 & AO4.

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UNIT 3: BUSINESS ANALYSIS AND STRATEGY

Overview of the Unit

Overall, the standard of responses on unit 3 was very good, with the majority of candidates managing the timing of the exam well and attempting all questions on the paper. The last question had an attempt rate of 96% showing that most candidates got to the end of the paper. There were examples of scripts where candidates achieved the highest standard, illustrating detailed knowledge and understanding of a range of specification content and excellent skills including application, analysis and evaluation. When questions were not answered, it was often due to limited knowledge of the subject content rather than a lack of time.

The majority of candidates followed good structures in their responses, showing logical developments in their arguments. An increasing number of candidates did not use paragraphs in their writing, making it more difficult to separate out chains of argument. Alongside this, handwriting continues to be an issue, with a growing number of scripts having to be studied in closer detail to interpret the poor writing. There were a larger number of word-processed scripts than usual, and it is pleasing to see when these scripts leave space between each question and indent from the question number. Spacing out of the lines makes it a lot easier to mark.

Similar to previous years, candidates who possess good numerical skills, shown within Q.1(b+c), Q.5(a+b) and Q.6(a), tended to pick up all quantitative skills marks available. Unfortunately, comparable with previous years, there are candidates who lack these skills which restricts the marks awarded and their ability to accurately respond to questions requiring quantitative skills. It was pleasing to see an improvement on the accuracy of data presentation. It was less common for monetary values to be expressed without a £ sign, and the majority of candidates expressed all their answers to 2 decimal places, even when the question did not directly prompt them to do so. There were only a small number of candidates who could not round their response correctly. For several of the quantitative questions on the paper there was a formula mark available. If the correct answer was shown the formula mark was given with implied knowledge but it was useful for some candidates who scored a formula mark despite getting the workings wrong. This was perhaps most relevant on Q.5(a) and Q.6(a). In addition, a lack of precision was evident when responding to numerical tasks and candidates would be well advised to show the workings to all their calculations.

In the majority of questions, candidates had correctly interpreted the trigger word of the question. Candidates generally used the stimulus material provided when required, especially in Q.1(d), Q.2, Q.3 and Q.4. Weaker answers tended to repeat/quote the stimulus material, whereas stronger answers were able to provide judgements and bring in wider context knowledge. It should be noted that some candidates were failing to show good/excellent analysis by developing their points well into structured arguments, which made it difficult to score high marks on certain questions, particularly noticeable in Q.2, Q.3 and Q.4. The better candidates were able to give detailed, well-structured and balanced arguments, and were able to interpret the requirements of the question well by looking at the phrasing of the question and the key trigger words used.

The strongest answered numerical questions were in relation to sales forecasting with Q.1(b) have a facilitating factor of 79.2% and Q.1(c) having a facilitating factor of 83.4%. (A facilitating factor is the mean mark expressed as a % of the total mark available).

The strongest answered short written response was in relation to a definition of sales forecasting (Q.1(a)) with a facilitating factor of 93.2% and the longer written response with a facilitating factor of 55.3% which discussed time series analysis.

The weakest numerical question was Q.5(b), calculating net present value, with a facilitating factor of 58.2%, and the weakest written question was Q.4(b), with a facilitating factor of 43.3% where candidates were required to assess the advantages and disadvantages of using cost benefit analysis for business decision-making.

Overall, candidates demonstrated a solid understanding of the core content and were awarded the AO1 marks. Whilst it is not an essential requirement of a longer answer, definitions of key terms are useful. Many candidates provided thoughtful analysis across the paper. However, there is a noticeable trend of candidates opting to present a wide array of arguments, rather than selecting one or two key points to explore in greater depth. While breadth can showcase knowledge, depth is crucial for demonstrating analytical rigour and drawing meaningful conclusions. Candidates made good use of the provided contexts, which was especially beneficial in questions with a high weighting of AO2 marks.

Despite positive progress in AO2 and AO3 areas, AO4 remains the most challenging component for many candidates. A substantial number of candidates either omitted evaluative content entirely or restricted it to a brief comment in their conclusion. Stronger candidates, by contrast, embedded evaluative commentary throughout their responses, critically weighing arguments and showing a clear line of reasoning that led to well-justified conclusions.

Comments on individual questions/sections

- Q.1**
- (a)** Candidates were required to state what is meant by sales forecasting. With a facilitating factor of 93.2% and a mean score of 0.9, this was the strongest response on the paper.
 - (b)** This was a 2-mark question that was made up of two parts. Q.1(b)(i) required candidates to work out the three-point moving average and Q.1(b)(ii) asked for candidates to work out the sales revenue. With a mean score of 1.6/2 it was pleasing to see that most candidates were able to answer these questions. There were very few candidates who did not attempt either question. Where a mark was lost, it was generally lost on Q.1(b)(ii).
 - (c)** With an attempt rate of 97.5%, and a facilitating factor of 83.4%, the question proved to be accessible for the majority of candidates. With a mean score of 2.5/3, a vast majority of candidates correctly plotted the three-point moving average figures on the grid, drew the line of best fit and then predicted the sales revenue for 2025. There were several candidates who had plotted the sales revenue figures and so were not awarded the mark for the plotting of the figures but using OFR their line of best fit and identified predicted sales revenue were credited.

- (d) Candidates were required to use the data to evaluate the usefulness of time series analysis. With a mean of 4.4 out of 8, whilst candidates could identify the advantages and disadvantages of time series analysis, their analysis and evaluation tended to be very generic and often unbalanced so they were unable to access the higher mark bands. There were also many candidates who did not clearly link the case study scenario data to their responses so limited the number of AO2 marks that could be awarded.

Q.2 This question invited candidates to evaluate Lidl's vision and mission statements and their impact on business stakeholders. It proved to be popular, ranking as the second most attempted question, with a mean mark of 5.5 out of 10. Candidates performing strongly typically provided clear and accurate definitions of both vision and mission statements, enabling them to reach the upper bands for AO1. These responses frequently analysed individual statements separately, drawing on data to evaluate them from the perspective of Lidl and another stakeholder. This approach supported higher-level performance across AO3 and AO4. However, a significant number of candidates addressed the statements collectively. This limited the depth of their analysis and evaluation, as their arguments were less fully developed. There were also several candidates who only addressed the impact on Lidl's and made no reference to other stakeholders. This again limited the assessment band that could be reached.

Q.3 This question required candidates to discuss the impact of rationalisation on Northern Automotive Systems and the surrounding local community. Despite being relatively unpopular—attempted by only 95.9% of candidates—and recording a low facilitating factor of 51.3%, the responses demonstrated a broad range of understanding. Candidates who performed well exhibited a sound grasp of the concept of rationalisation, enabling them to attain full marks for AO1. These candidates often integrated relevant details from the case study, which supported their analytical development and showed progression in their chain of reasoning. This structured approach also enhanced the quality of their evaluative judgements. Conversely, a notable proportion of candidates appeared unfamiliar with the term "rationalisation" and struggled to engage meaningfully with the question. This lack of clarity limited their ability to access higher marks across the assessment objectives.

- Q.4** (a) (i) Candidates were asked to define the term private cost. The majority of responses achieved success in AO1 by providing accurate and concise definition. However, performance on AO2 (application) was less assured. Many candidates did not incorporate relevant data from the source material, which limited their ability to demonstrate application and resulted in the AO2 mark not being awarded.
- (ii) This question required candidates to define the term external benefit. A substantial number of responses did not present an accurate definition, which limited achievement of the AO1 mark. However, many candidates successfully demonstrated AO2 by incorporating relevant data from the source material. This effective use of context enabled candidates to achieve the available mark for application, despite some imprecision in their definitions.

- (b) Candidates were asked to assess the advantages and disadvantages of applying cost-benefit analysis (CBA) in business decision-making. This was among the most popular questions, attempted by 97.3% of candidates. Despite its broad appeal, the question recorded the lowest facilitating factor (43.3%) and a mean mark of just 3.5 out of 10. Stronger responses typically opened with a clear and accurate definition of CBA, which provided a solid foundation for structured analysis. These candidates developed their answers by examining the practical implications of CBA on business operations, demonstrating coherent reasoning and nuanced evaluation. This enabled access to the higher bands for AO3 and AO4. In contrast, a substantial number of candidates adopted a descriptive approach, listing benefits and drawbacks without linking them to business decision-making processes. This limited depth of analysis and evaluation resulted in performance being confined to the lower bands across the relevant assessment objectives.

- Q.5** (a) This calculation-based question required candidates to determine the payback period for two investment options. Many candidates performed well, successfully achieving full marks for AO1 and AO2. However, candidates are reminded of the importance of showing their workings. Where final answers are incorrect, partial credit can still be awarded for method, provided a logical approach is evident. Including structured calculations is key to maximising marks, particularly when minor numerical errors occur.
- (b) This calculation-based question asked candidates to determine the net present value (NPV) for two investment options. It was the least attempted question on the paper, with an attempt rate of 88% and an average score of 3.5 out of 6. Candidates who demonstrated secure knowledge of the topic typically followed a methodical approach and achieved full marks. These responses reflected sound understanding and accurate application of the NPV method. However, a considerable proportion of candidates focused solely on calculating the discounted cash flows without completing the final NPV calculation. As a result, they were unable to access marks for the full method. Additionally, a noticeable number of candidates chose not to attempt the question, which further contributed to the lower average score.
- (c) This question required candidates to evaluate the viability of two options by applying both quantitative and qualitative data, culminating in a clear recommendation. Stronger responses demonstrated effective use of the source material, integrating relevant data to support well-developed chains of reasoning. This approach enabled candidates to access the higher bands across all assessment objectives, particularly AO2, where data was used analytically rather than merely lifted from the text. However, a number of candidates limited their performance by listing figures or comments without connecting them to the decision-making process. This superficial use of data restricted access to higher marks for AO2. Importantly, candidates must be reminded to provide a final recommendation as required by the question. Omitting this element can undermine an otherwise sound response and affect marks awarded for AO4.

- Q.6 (a)** Candidates were asked to calculate the total contribution generated by the business from a specific order. A large proportion completed this task successfully, resulting in an encouraging average mark of 2.3 out of 3. Marks were also awarded where candidates provided clear and logical workings, even if their final answers contained inaccuracies. This reflects the importance of demonstrating method as a key component of AO1. Candidates should be reminded to use appropriate financial annotations when presenting their calculations. This not only aids clarity but also enhances examiner confidence in awarding partial credit where applicable.
- (b)** This question required candidates to advise a business on whether to accept a one-time special order. Many candidates demonstrated sound understanding of the concept, successfully achieving marks within AO1. A number of responses progressed further, applying their own calculations and referencing data to support evaluative judgments. This analytical approach allowed candidates to access the higher bands for AO2 and AO3. However, responses were often unbalanced, typically presenting arguments from a single perspective, either entirely in favour or wholly opposed to the order. This limited performance in AO4, where a more rounded and critical consideration of both sides is required. Candidates should be reminded to evaluate the advantages and disadvantages before forming a reasoned conclusion.

Summary of key points

- Candidates are reminded of the importance of precision when handling numerical data. Responses should include relevant formulae where appropriate, express values consistently to two decimal places with correct rounding, and clearly state units of measurement in final answers. Additionally, candidates should show all workings as even when errors are present, partial credit may be awarded for demonstrated method.
- There is an increase in the use of case study data within candidate responses. Effective application was seen where candidates analysed trends and evaluated implications in relation to the specific business context, using the data to support reasoned argument rather than as a standalone feature.
- The strongest responses presented a clear central argument, which was developed logically and supported by detailed explanation. This approach contrasts with less effective answers that tended to list multiple undeveloped points, resulting in a fragmented and superficial discussion.
- Stronger answers embedding evaluation from the outset rather than reserving it for final paragraphs.

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UNIT 4: BUSINESS IN A CHANGING WORLD

Overview of the Unit

Candidates generally responded well to this paper. It was pleasing to see most candidates making a consistent attempt at questions in Section A. The attempt rate of questions ranged from 86.5% on question 1 5, to 97% for question 1 3. Equally, the level of response on questions demonstrated a strong grasp of key business concepts amongst many candidates.

Overall, candidate knowledge of the examined topics was strong. In many cases, candidates demonstrated their understanding effectively by clearly defining key term(s) from the question at the outset of their response. This approach supported clarity and focus in their subsequent arguments and enabled examiners to make confident and consistent judgements when awarding AO1 marks.

A wide range of responses was seen in this series, with some candidates producing particularly impressive work. Many demonstrated the ability to access marks across each of the four assessment objectives, indicating a broad and balanced approach to the demands of the paper. Nevertheless, application of knowledge to the given scenario (AO2) remains a key area for development. Although candidates often referred to contextual material, not all responses showed secure or purposeful integration of this information to support analysis or evaluation.

The overall quality of written communication was generally very good, with most candidates expressing their ideas clearly and cohesively. That said, examiners noted an increase in the number of scripts, or portions thereof, that were partially or wholly illegible. Centres may wish to remind candidates of the importance of legibility, particularly when handwriting extended responses, to ensure that credit can be appropriately awarded.

Most candidates demonstrated strong knowledge (AO1) and sound analytical skills (AO3), though marks for application (AO2) and evaluation (AO4) were often limited due to underdevelopment. Responses that focused more on description rather than analysis or evaluative insight struggled to score highly across all objectives. There was evidence that many centres had effectively prepared candidates, particularly through teaching the meaning of command words such as 'explain', 'assess', and 'discuss'. This helped a number of candidates respond appropriately to question demands. However, others showed a lack of precision in their approach, which impacted performance in AO3 and AO4.

Candidates seemed to manage their time well throughout this paper. Suitable attempts were made at a full range of questions by a large proportion of candidates. Although rare, there was still some evidence of a few candidates spending too long on part A leaving time only for brief responses in part B.

The overall standard of candidate performance was encouraging. Many demonstrated competent written skills and managed their time effectively throughout the examination. The responses in this series reflected thorough preparation from a substantial proportion of candidates, enabling them to navigate the challenges of the paper successfully. In most cases, candidates showed a clear ability to address the demands of a fully written assessment within the allotted time frame.

Section A

In this part of the examination, candidates engaged with an extended case study focused on the operations of Sainsbury's. Section A was handled competently by many candidates, with the case study material generally used effectively. Candidates frequently drew on the nature of the business and its operational context to inform and support their arguments.

The attempt rates for the individual questions in Section A remained high, though slightly lower than the previous year: Q1.1 at 96.9%, Q1.2 at 96%, Q1.3 at 97%, and Q1.4 at 94.0%. In contrast, Q1.5 proved more challenging, with a reduced attempt rate of 86.5%, suggesting that candidates found this particular question less accessible.

Section B

Section B of the examination allowed candidates to respond in line with their individual strengths, offering a choice of one question from three options. The distribution of attempts was relatively balanced, with approximately 41% selecting Question 2, 27% Question 3, and 32% Question 4.

Part (a) of each question required candidates to apply their responses to a specific scenario, with 4 marks allocated to AO2. Overall, candidates performed well on these questions, with mean scores ranging from 4.7 to 5.8, an improvement on last year's performance. While most demonstrated sound knowledge of the selected topic, some failed to engage effectively with the scenario, preventing examiners from awarding AO2 marks. Centres are encouraged to focus on enhancing contextual application skills to support progression in this section.

Part (b) carried 8 marks each for AO3 and AO4, which may have posed a challenge for some candidates in achieving higher overall marks. The complexity and depth of analysis required suggests that further attention may be needed to scaffold responses at this level.

It is important to note that unit 4 is synoptic in nature and may draw on content from any part of the specification.

Comments on individual questions/sections

Section A

- Q.1 (a)** This question was generally well accessed by candidates, achieving a facility factor of 61.4 and a mean mark of 4.9 out of 8. Many candidates demonstrated familiarity with the different types of risk that a business may face, achieving marks in Band 1 for AO1. Candidates typically used the case study to support their understanding, with stronger responses extending their analysis by explaining how Sainsbury's responded to the identified risks. These candidates were also able to make reasoned judgements about the effectiveness of those responses, which enabled access to the higher band for AO3 and AO4. In contrast, candidates who simply listed various business risks without developing their ideas were confined to the lower bands across the assessment objectives. These responses lacked sufficient analysis and evaluation to demonstrate meaningful engagement with the question.
- (b)** This question achieved a mean score of 5.4 out of 10. Most candidates demonstrated some understanding of interest rates and inflation, either through explicit definitions or by embedding the concepts implicitly within their responses. This allowed many to access band 1 for AO1. The majority made effective use of the case study data to apply their knowledge to the context of Sainsbury's, showing how the business had been impacted by changes in inflation and interest rates. Stronger responses extended this reasoning by considering the impact on Sainsbury's stakeholders, which supported achievement in the top bands for AO3 and AO4. It should be noted that this question contained two elements: candidates were expected to discuss the effects of both inflation and interest rates on the business and its stakeholders. To access band 2 for AO1, responses needed to address both aspects. A considerable number of candidates focused on only one part, which limited the marks available across the assessment objectives.
- (c)** This question asked candidates to consider the impact of Sainsbury's ethical and environmental priorities on profitability. It was widely attempted, with 97% of candidates choosing to respond, and achieved the highest mean score on the paper at 6.4 out of 10, with a facility factor of 64.2%. Most candidates demonstrated understanding of Sainsbury's ethical and environmental initiatives, using case study data to support their responses. Many went on to analyse how these priorities may influence profit levels, although the depth of analysis varied across responses. The question required clear evaluative judgements supported by rationale. This proved challenging for a sizeable proportion of candidates, whose responses lacked fully developed evaluation, thereby restricting attainment in AO4. Given that 4 of the 10 marks were allocated to AO4, limited evaluation likely contributed to the overall mean mark.

- (d) This question required candidates to assess the advantages and disadvantages of EU membership for UK businesses. It was broadly well understood, with many candidates demonstrating sound knowledge of the implications, and several developing logical chains of reasoning from both viewpoints. This enabled access to the higher bands for AO3 and AO4. The mean score was 4.9 out of 10, with a standard deviation of 2.0, reflecting a varied range of performance. Several candidates misinterpreted the focus of the question, discussing the UK's political relationship with the EU rather than the impact on UK businesses. This restricted their responses to Band 1 across the assessment objectives. Although AO2 marks were not allocated for this question, many candidates effectively supported their arguments with relevant business examples, enriching their evaluation.
- (e) This was the lowest attempted question on the paper, with an attempt rate of 86.5% and a mean score of 5.2 out of 12. While the analysis of financial performance is part of the unit 3 specification, candidates are reminded that unit 4 is synoptic and may include content from across the entire course. Candidate performance on this question varied considerably, as reflected by a standard deviation of 3.1. Those who correctly recalled at least 2 of the ROCE, current ratio, and gearing calculations accessed full AO1 marks and typically performed strongly in band 2 for AO2. Candidates who were unable to recall these formulas but made use of the data provided could still be awarded AO1 marks, although their achievement was limited to band 2 for AO2. Stronger responses developed coherent lines of reasoning supported by financial analysis, leading to sound overall judgements on Sainsbury's performance. These candidates accessed the top bands for AO3 and AO4. By contrast, a substantial number of responses lacked development, with candidates simply listing observations about performance without analytical depth, restricting their marks across all assessment objectives.

Section B

- Q.2 (a)** This question proved popular, with 40.1% of candidates choosing to answer it. The mean score of 4.7 out of 10 and a standard deviation of 2.1 indicated a wide variation in the quality of responses. Stronger candidates demonstrated sound knowledge and understanding of market segmentation, achieving marks in Band 2 and approaching Band 3 for AO1. However, only a minority successfully explained how a holiday company might apply segmentation strategies to attract customers, which limited access to the higher bands for AO1 and AO2. Weaker responses generally lacked development in explaining how businesses utilise market segmentation to appeal to different customer groups. These candidates often failed to extend their ideas beyond basic definitions, restricting overall attainment.
- (b)** This question attracted a moderate uptake (39.9%), with candidates achieving a mean score of 9.5 out of 20. Many candidates demonstrated a secure understanding of pricing strategies and broader approaches to profit improvement, enabling them to attain the available marks for AO1. All responses focused on the application of pricing strategies to enhance profitability, extended their answers by exploring additional methods businesses might use to increase profit, supporting their ideas with relevant analysis and evaluation. This approach facilitated access to the higher bands for AO3 and AO4. However, where candidates did not consider alternative methods beyond pricing strategies, their responses lacked depth. As a result, analytical and evaluative performance was confined to Band 2.
- Q.3 (a)** This part (a) question was the least attempted across the paper, selected by only 26.3% of candidates. However, it yielded the highest mean score of 5.8 out of 10 and the lowest standard deviation of 1.8, indicating consistent performance among those who chose it. Candidates who attempted this question generally demonstrated strong understanding of both internal and external causes of change, with many responses accessing the higher bands for AO1. In addition, candidates appeared confident in applying their understanding to the context of a nationwide restaurant chain, which supported stronger performance in AO2 and resulted in an increased number of AO2 marks being awarded.
- (b)** This question was attempted by a notable proportion of candidates (25.7), yielding a mean score of 10.2 out of 20. Most demonstrated a secure understanding of autocratic leadership and its perceived suitability for managing organisational change, achieving marks within AO1. Candidates frequently recognised both the strengths and limitations of autocratic leadership, with many developing their responses by comparing it to at least one alternative leadership style. Stronger answers incorporated comparisons with multiple styles and presented counterarguments, which supported more detailed analysis and clearer lines of reasoning. This enabled access to higher bands for AO3 and AO4. Some candidates further enriched their responses by referencing relevant change management theorists, which added depth and contextual insight. In contrast, those who focused exclusively on autocratic leadership were unable to progress beyond Band 2 for AO3 and AO4, due to a lack of balanced evaluation.

- Q.4 (a)** This question ranked as the second most popular among the part (a) options, selected by 30.1% of candidates. The mean score of 4.7 out of 10, alongside a standard deviation of 2.6, reflected considerable variation in response quality. Stronger candidates showed secure understanding of Ansoff's Matrix, often achieving Band 2 and approaching Band 3 for AO1. Many supported their responses by including a diagram of the matrix, which provided clarity and was beneficial when allocating AO1 marks. However, only a minority were able to apply the matrix effectively to the scenario of a business facing declining sales in a saturated UK market. This limited access to the higher band for AO2. Weaker responses tended to rely on basic definitions with minimal development, resulting in restricted attainment across the assessment objectives.
- (b)** This 20-mark essay question was the highest-performing on the paper, with candidates achieving a mean score of 10.6 out of 20 and a facilitating factor of 53.2. Responses often reflected excellent knowledge of outsourcing and its impact on a business and its stakeholders, leading to strong AO1 attainment. Although AO2 marks were not available, higher-quality responses made effective use of real-world examples to illustrate their analysis and evaluation. These examples allowed candidates to draw relevant comparisons, and develop their lines of reasoning, supporting access to higher bands for AO3 and AO4. However, some candidates produced unbalanced responses by solely presenting arguments in favour of outsourcing, suggesting there were no disadvantages or wider stakeholder implications. As a result, these answers were restricted to band 2 for AO3 and AO4. Additionally, marks were limited where candidates failed to address which business stakeholders may be impacted by outsourcing production.

Summary of key points

- During Section A, responses frequently demonstrated comprehensive use of the case study scenario allowing candidates to produce strong AO2 marks.
- Candidates appeared to manage their time more effectively than in previous examination series, resulting in a more balanced distribution of marks across the range of questions. Nonetheless, candidates should continue to receive guidance on allocating time in proportion to the mark value of each question to ensure their responses reflect the expected level of depth and development.
- Candidates should be encouraged to practice responding to questions such as Q.1(c), which contain two distinct parts. A significant number of candidates focused on only one element of the question, which inevitably restricted their ability to access the full range of available marks.
- Centres need to reinforce with candidates the synoptic nature of this paper. Candidates will be assessed on content across the full qualification.
- Section B part (a) questions: a number of candidates did not use the context during their answer. In doing so the candidate limits their potential mark to 6 out of 10. Effective use of the scenario is the crucial factor in performing well on these questions; thus it is advisable for centres to hone these skills in classroom practice.
- Section B part (b): Responses where evaluation occurred throughout the answer rather than solely in the final paragraph appeared to promote a higher level of discussion from candidates and is a practice to be encouraged.

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