



GCSE EXAMINERS' REPORTS

**GCSE
BUSINESS**

SUMMER 2023

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BUSINESS

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UNIT 1: BUSINESS WORLD

General Comments

Many candidates were able to demonstrate knowledge and understanding across the majority of the examination paper. Those candidates that performed best, made clear and direct reference to the data provided, to add context to their answers.

The early questions were once again the most accessible on the paper with over 99% of candidates attempting questions 1, 2 and 3. However, many candidates struggled with Q.1, Q.3(b) and Q.3(c). This suggests a gap in some candidate's knowledge of key terms and the characteristics of a PLC.

All of the extended written questions had an attempt rate of over 90%, demonstrating that most candidates felt confident to try these questions and had some knowledge and understanding of the assessed topics. However, the mean marks on all these questions were only just above the allocated number of AO1 marks which suggests that candidates achieved few AO2 or AO3 marks. 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 Unit 1 paper, as it was in previous years, was the lack of application (AO2). Whilst some 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. Candidates seemed unaware that questions that mention the business by name are looking for specific reference to the data. This was particularly evident in the low tariff questions that had an allocation of AO2 marks.

As in previous years, there were quite a number of examples where writing was barely legible and poorly written. It also seems some candidates may have written in pencil, which resulted in faint scripts. Poor handwriting and faint scripts makes awarding marks more difficult and could result in candidates being awarded lower marks than they should achieve.

Comments on individual questions/sections

- Q.1** Nearly all candidates attempted this question but very few achieved two marks. The most common incorrect answer was thinking that PLC's were "owned by the government".
- Q.2** Over 97% of all candidates correctly selected the two benefits of international trade to UK businesses.

Q.3 Whilst over 99% of candidates attempted to identify the correct terms, those getting them correct was lower than previous years. The two terms that candidates had most difficulty with were (b) turnover and (c) quantitative. Candidates that got these incorrect, often selected profit and loss account as an incorrect answer.

Q.4 Bertie Berry's Crunch

Around 92% of candidates attempted Q.4(a)(i) and Q.4(a)(ii), however only half of all candidates correctly identified the stages of the product life-cycle. Whilst a few named other stages of the product life-cycle e.g. maturity, many candidates couldn't recall any terms associated with the product life-cycle, which highlights a gap in knowledge.

Again, the mean mark on Q.4(b) was a little over two marks (out of four). Most of those that were awarded marks could name two extension strategies but had difficulty stating how it could improve sales. A common example of an answer would be they can lower prices, so more people buy it. This achieves one mark for the strategy but no marks for the explanation. This was attempted by over 96% of all candidates so many felt confident at trying this question.

Q.5 Many candidates struggled with this question, however just as many candidates were able to achieve maximum marks. The most common correct answers were labour/workers and equipment.

Q.6 Saundersfoot Sheds

(a) Statistically this was the easiest question on Unit 1 with 97.5% of candidates awarded one mark (out of one) for identifying Saundersfoot Sheds as a local business.

(b) (i) This was a question that over 98% of candidates attempted but only half of all candidates achieved one mark. This is because the candidates were required to identify that sales increased until July and then fell. The majority of those candidates that were not awarded a mark answered "sales increased in the summer months before falling after summer. This was deemed incorrect as August is a summer month. More precision was required.

(b) (ii) This was generally well answered with many candidates calculating that the average price of a shed was £310. This was done by calculating 243 sheds were sold, generating revenue of £75 330. Those that did not achieve two marks generally gained OFR marks by calculating 243 sales had been made, or correctly identifying that £75 330 needed to be divided, even if they used a figure that was not 243.

Q.7 Fit and Healthy Gym

This proved to be the most accessible of the last four 20-mark scenarios, with over 98% of candidates attempting to answer each part of Q.7, except part (b) (92.5%). The mean mark for this set of questions were 10.2 out of 20.

- (a) The spread of marks show the average mark on this question was two marks out of four. Whilst most candidates identified financial risks as the main factor, most then discussed unlimited liability. However, this question was not specifically about a sole trader or partnership and therefore this was not relevant. Most candidates correctly identified being their own boss or keeping profits as the main reward.
- (b) About 66% of all candidates got this answer correct, with most correctly identifying a bank as a suitable response.
- (c) Most candidates were awarded marks on this question with a mean mark of 3.7 out of 6. Many candidates had good knowledge of siting factors such as competition and accessibility. However, only relatively few candidates referred to the map to demonstrate their point, missing AO2 marks. Many candidates also failed to clearly analyse the impact on these factors on the likely success of the new gym being opened. This reduced the AO3 marks awarded.
- (d) Less than 50% of candidates were awarded a mark on this question. The primary reason for this was that the answers were not detailed. The answers generally referred to meeting needs and wants rather than giving specific ideas about how market research can inform the marketing strategy of a business.
- (e) The average mark on this question was 3.4 out of 8, which is the highest mean mark on any of the extended answer questions. There were some good answers relating to reasons for choosing a specific type of business ownership. This enabled candidates to access AO1 marks. 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 being a sole trader/in a partnership/Ltd etc 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 better gym equipment, which is expensive or utilise that ex co-workers would also have knowledge of working/managing a gym. The lack of AO2 and AO3 marks reduced the number of candidates being awarded the top marks.

Q.8 Aberavon Car Centre

The average marks on this question were lower than expected and the spread of marks between the most successful and the less successful candidates was noticeable. The mean mark for this set of questions was just 6.1 out of 20. Candidates particularly struggled with the sales process questions.

- (a) Many candidates were able to suggest a characteristic of a quality car. Those that did not get a mark often stated a quality car was 'brand new' which is incorrect in the context of a used car sales business.
- (b) 60% of candidates achieved one mark on this question. Those candidates identified generic ways to ensure quality e.g. quality control, high standard raw materials, skilled labour etc. Most of those candidates that gave an incorrect answer tried to use a method suitable to a used car showroom, which was not necessary and often incorrect. Candidates need to be able to identify when answers need to be in context or generic.
- (c) The average mark on this was 1.4 out of 4, showing that many candidates did not fully understand what was meant by the term "IT packages". Many candidates explained what CAD and CAM were, which is not applicable to a car sales business. Other suggestions included keeping track of stock and financial documents but most did not identify an IT package e.g. database or spreadsheet.
- (d)
 - (i) This question had the lowest average success rate for a question that was only assessing knowledge. Candidates generally achieved 0 marks or 2 marks on this question. The sales process is a significant weakness for the candidates. Most incorrect answers stated that advertising/promotion and customer service were stages of the sales process.
 - (ii) This question required the candidates to apply the sales process to a car showroom. This question had the lowest attempt rate of any question on the paper and the lowest success rate. The mean mark was just 0.4 out of 4. Candidates that were credited marks often mentioned staff having knowledge of the cars and going for test drives.
- (e) Although this was an accessible 10-mark question it had the lowest mean mark of any of the extended writing questions at only 2.4 out of 10. Candidates could generally identify pricing strategies and define them. However, many confused the names and definitions, limiting their marks. Another issue was the absence of AO2 e.g. giving examples of psychological pricing without using the example of £15 000 given in the data or choosing figures such as 99p. Many of the suggestions were also not suitable for a car showroom e.g. penetration pricing. Many candidates also struggled to earn many AO3 marks, instead listing advantages and/or disadvantages. Very few considered the impacts of the pricing strategy on the business, with many assuming that sales would rise/revenues increase without further explanation.

Q.9 Seaside Sweets

The mean mark on this set of questions was 7.7 out of 20, with most of those marks awarded on Q.9(e) and Q.9(f).

- (a) Candidates found it difficult to draw the total cost line on the break-even chart. Those that identified that it started at (0,600), where the fixed cost line also started, generally plotted the end-point correctly as well. Too many candidates were unable to draw the line and plotted a line that never crossed the total revenue line or was below the fixed cost line.
- (b)
- (c) Only 40% of candidates got this correct, including those awarded a mark for OFR. Many candidates stated 300 which is where the fixed cost line crossed total revenue so was awarded 0 marks. Those candidates that got part (a) incorrect but stated 600 were awarded a mark. Those that had a total cost line drawn in the incorrect place were still awarded a mark if they suggested an answer that looked correct, based on their total cost line.
- (d) Whilst over 97% of candidates attempted this question, about the impact of increasing costs, only 43% actually got it correct. Nearly all the incorrect responses said that less customers would buy the product due to increasing costs. This is not necessarily true as the business could absorb the costs. One of the acceptable answers would be that Seaside Sweets increased their prices.
- (e) Despite 91% of candidates attempting this question, it was one of the questions where many candidates struggled. The average mark on this question was 1.9 out of 6 and this was typically because there was a lack of application (AO2) and explanation (AO3) about the importance of the recruitment process. Two marks were awarded for knowledge of the recruitment process, which many candidates demonstrated in detail. However, few candidates applied their answers to Seaside Sweets. Candidates were expected to refer to how a small sole trader business, looking for a part time employee to serve customers may use the recruitment process. In addition to this, very few explained the importance of the stages they had mentioned, to the business. A few candidates discussed internal and external recruitment here, which was not applicable as there was no suitable internal candidate, due to the nature of the business.
- (f) Just under 95% of candidates attempted this question about training. Whilst many could identify what type of training was suitable e.g. on-the-job, candidates found it more difficult to explain why it was suitable for Seaside Sweets e.g. cheap/free for a small business.
- (g) Over 95% of candidates attempted this question. Candidates could discuss the positive reasons to grow or consider why a business may remain a small. This meant many were awarded two AO1 marks. Again, there was often only superficial assessment. Common statements included examples such as “a business grows to make more profit” or “a business remains small because they don’t have money”. Candidates should be able to assess these points in more detail. Once again there was little reference to Seaside Sweets.

Q.10 Beds UK

Each part of this question was attempted by over 90% of the candidates, making it very accessible. However, the average mark was just 7.6 out of 20.

- (a) 50% of candidates were awarded one mark and 50% of candidates were awarded zero marks. Many struggled with the idea of job characteristics with many describing the jobs, rather than their role. The most common correct answer was leadership.
- (b) Like the question above, most candidates were awarded two marks or zero marks. The main issue is that candidates believed the organisation chart to be 'flat' rather than 'geographical'. This meant their answers were not suitable, in this instance, as the answer needed to be applied. Those that thought it was flat suggested stress would be an issue due to the span of control which is not true in this case, as a Head Office could manage four stores. The most common correct answer was that the shops were spread around the UK making communication/ control difficult.
- (c) 60% of candidates successfully calculated the commission earned. Most of those that got zero marks stated £586.8 which is not a correct answer as it is not in the correct format of pounds and pence.
- (d) Many candidates identified at least one benefit of a motivated workforce. Those that only gained one mark, often gave two similar answers e.g., increased work rate and more productive.
- (e) This proved to be a challenging question with many gaining one mark but struggling to be awarded any more. Candidates could describe changes in the figures, but few identified that whilst sales revenue decreased, the cost of sales increased leading to a reduction in gross profit. Many candidates linked increased cost of sales to lower net profit instead. Because of this, candidates failed to analyse the reasons for this. Some did suggest inflation and fewer still suggested Beds UK having sales to sell stock, thus reducing sales revenue/gross profit margin.
- (f) The average mark on this question was 3.4 out of 10. Candidates that used the suggested stakeholders, considering benefits and drawbacks of closing the shops achieved higher marks. Some candidates did not write about the owners, workers, customers or suppliers and chose some of the other stakeholders instead, which was credited. However, many of those candidates talked about stakeholders in general terms, often confusing the term with shareholders. This resulted in very few marks being awarded. The main issue with the majority of answers was very few candidates explored the positive impacts on stakeholders, which limited their AO3 marks. Too many candidates had limited discussion and simply stated the negatives such as owners would lose money, workers lose their jobs, customers would have to find a new shop and suppliers would have less profit. Those candidates that referred to the distance between shops, distance from suppliers, distance from the Head Office in London, made reference to the profit and loss account i.e., gave examples of cost savings e.g., rent, were able to gain AO2 marks.

Summary of key points

- Candidates were unable to identify which questions are awarding AO2 marks i.e. those that mention the business/owner's name in the question.
- Low application (AO2) marks. Candidates continue to ignore the data provided and give generic answers.
- Low evaluation/analysis (AO3) marks. Candidates do 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. Candidates must explain the impacts of their suggestions on the business.
- There are gaps in knowledge, particularly the newer topics on the specification such as sales process.
- Candidates have a superficial understanding of some quantitative skills such as profit and loss accounts and break-even charts.

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UNIT 2 : BUSINESS CONSIDERATIONS

General Comments

This paper proved accessible with all but three of the questions having an attempt rate of 90% or more.

The candidates were better able to access AO2 marks and used the relevant data in their answers. Compared to previous examinations, there was a noticeable improvement on how candidates accessed the data, identified the sections that were important to their answers and made direct reference to them. It was apparent that candidates knew this was the 'case study' paper and understood how to use the information, better than previous years.

Candidates struggled to gain many AO3 marks with many making simple statements without further explanation or analysis. Candidates were quick to make conclusions, without giving an insight as to how or why they had made those judgements.

Some candidates struggled with presentation with many scripts being difficult to read. This is likely to be due to the belief of time pressure on this paper but there is adequate time to complete all parts of the examination. Candidates must ensure all answers are legible so that marks can be awarded to them.

Comments on individual questions/sections

Q.1 McDonalds

The mean mark on Q.1 was 11.6 marks out of 30. This means it was statistically more difficult than Q.2.

- (a) (i) The item level data suggests that candidates generally got zero marks or two marks, although a few got one mark for calculating the change in sales revenue. Those that got zero marks generally selected some relevant data but did not know the percentage change formula. Those that gave the percentage loss as a positive, or negative answer were awarded 1 mark. Some candidates got the correct answer but rounded incorrectly.
- (ii) Less than 50% of candidates were able to gain one mark here with the majority getting zero marks. Those that got one mark generally stated answers such as that McDonald's had lost sales to competitors, customers choosing healthier alternatives, environmentally friendly businesses. Those that gave an incorrect answer often stated that they had 'less customers', which was not detailed enough for one mark.

- Q.1 (b)** Only 42% of candidates were awarded one mark for calculating 93% of 39 198. Nearly all candidates found the relevant data but made an error in the calculation. The main mistake was leaving their answer as a decimal e.g. 36454.14. This is incorrect as it is not possible to have 0.14 of a store so it needed to be rounded accurately for one mark.
- (c)** This proved to be the most difficult question in Unit 2. Only 16% of candidates were awarded one mark. Many of the answers did not give a specific benefit to franchising and made general statements such as it generates more revenue/profit or allowing it to operate in many countries. The most common correct answers were gaining royalty payments and growing without investing their own money.
- (d)** 55% of candidates were awarded one mark. Those candidates generally defined a multinational business as operating in more than one country. Incorrect answers often stated that products were sold abroad, which could be a definition of international trade, so was awarded zero marks.
- (e)** This was statistically the second most difficult question on Unit 2 with an average mark of just 1.1 out of 4. The main issues were candidates were stating the impacts of being a multinational on the company themselves rather than the UK. Those that did correctly identify impacts generally focussed on job creation and competition for local (UK) businesses. Even if candidates were able to suggest an impact they struggled to explain them e.g. job creation reduces unemployment.
- (f)** The mean average mark on this question was 2.1 out of 6. Candidates generally did better on the AO2 marks than the AO3 on this question. Candidates were able to refer to the quick service, franchises, food tasting the same and multinational business as reasons for an effective supply chain. Disappointingly, too many candidates did not analyse the reasons for the supply chain being important, beyond customers getting their products and negative impacts on reputation.
- (g)** The mean mark on this question was 1.5 out of 4. This was also the lowest attempted question on unit 2. Under 83% of candidates attempted this question, which explains the low average mark. The majority of the marks that were awarded were for AO2. Most candidates selected relevant data such as using the app to order food or getting food delivered via Uber eats/Deliveroo etc. The lack of analysis about how e-commerce and m-commerce benefitted McDonald's, meant that many candidates did not receive AO3 marks. Those that did only gained 'limited' analysis.
- (h)** This question had an attempt rate of over 96%, which is very high for an extended answer question. The mean mark was 4.2 out of 10 which demonstrates that candidates were able to access good marks on this question. Many of the candidates could identify the advantages and disadvantages to McDonald's of having environmentally friendly policies. The candidates also selected relevant examples of the policies to support their knowledge. However, the discussion around the advantages/disadvantages was generally limited. The candidates should strive to discuss the impacts in more detail. The lack of AO3 marks is a theme throughout the exam.

Q.2 Maria Alonso/His 'N' Hers

The mean mark on Q.2 was 13.3 marks out of 30. This means it was statistically easier than Q.1.

- (a)** The item level data showed this question to be the third most difficult on Unit 2. Those that got zero marks generally defined business enterprise as an entrepreneur or sole trader.
- (b)** This was the second most attempted question on Unit 2. However, the mean mark was 1.7 out of 4. Many of the answers identified the consequences of poor communication. However, the explanation (AO3) of those consequences was often missing from candidates' answers.
- (c)**
 - (i)** Only 58% of candidates were awarded one mark. The most common correct answer was either minimum wage or discrimination. It was hoped that this question would have a higher rate of success.
 - (ii)** As expected, this question had a lower attempt rate than the previous question and a lower success rate as well. The most common correct answer was increased costs. The candidates that didn't answer correctly generally suggested loss of profits as an answer. This oversimplifies the impact and was therefore awarded zero marks.
- (d)** This question has the highest success rate of any question on Unit 2. The mean average was 2.5 out of 3, demonstrating how confident the candidates were with cashflow forecast calculations. The opening bank balance (d)(i) had the highest number of incorrect answers.
- (e)** This was statistically the fifth most difficult question on Unit 2 with an average mark of just 2.1 out of 6. Candidates generally did better on the AO1 marks than the AO2 or AO3 on this question. Candidates were able to suggest aspects that business planning may involve e.g. finance, marketing etc. However, too many candidates did not analyse the reasons why planning is important e.g. when needing a bank loan. There was also limited AO2 such as making reference to the cashflow forecast.
- (f)** The mean average mark on this question was 1.6 out of 4. Candidates generally did better on the AO3 marks than the AO2 on this question. Candidates were able to suggest advantages/disadvantages of local radio and leaflets. Those that only considered one media, were limited to one AO3 mark. Candidates had difficulty gaining AO2 marks as they didn't consider the most suitable method based on Maria's business e.g., low cost as she is a sole trader, leaflets so she can show hairstyles, prices, or a map of where the business is located.

- (g) The mean mark on this question was 4.1 out of 10. The majority of the marks that were awarded were for AO1 and AO2. Most candidates selected relevant data such as information from the profit and loss account, cashflow forecast and qualitative data. Candidates used the data well to support their reasons for selling or keeping the business. Despite this, the AO3 marks were low again as candidates struggled to meet the criteria for discussion and advice. Too often, the candidates answers were lacking detail and often offered only unsupported assumptions about why Maria may sell or keep the business. Candidates must justify their decisions and explain their thought process in more detail to gain further marks.

Summary of key points

- 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 decision. This will improve AO3 marks.
- Increased attempt rate. All candidates should try all questions. Too many questions are being answered selectively.
- Candidates were able to access more AO2 marks through exam practice and preparation. This exam saw a real improvement in AO2 marks being awarded.
- Ensuring that quantitative skills are taught as they are a minimum of 10% of the total marks available over the two units.



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