



# **GCSE EXAMINERS' REPORTS**

## **BUSINESS STUDIES**

**SUMMER 2009**

## **Statistical Information**

The Examiners' Report may refer in general terms to statistical outcomes. Statistical information on candidates' performances in all examination components (whether internally or externally assessed) is provided when results are issued. As well as the marks achieved by individual candidates, the following information can be obtained from these printouts:

*For each component:* the maximum mark, aggregation factor, mean mark and standard deviation of marks obtained by *all* candidates entered for the examination.

*For the subject or option:* the total entry and the lowest mark needed for the award of each grade.

## ***Annual Statistical Report***

Other information on a centre basis is provided when results are issued. The annual *Statistical Report* (issued in the second half of the Autumn Term) gives overall outcomes of all examinations administered by WJEC.

## **BUSINESS STUDIES**

### **General Certificate of Secondary Education 2009**

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#### **General Comments**

Candidates attempted most questions. Many were answered well and some excellently. There were more examples of candidates achieving outstanding marks than in previous years.

The main reasons that candidates failed to gain marks were due to:

- A lack of subject specific knowledge. This was particularly the case with regards to the definition of terms and also with the use of generalisations when describing business situations.
- Failure to evaluate when called upon to do so by the question.

#### **Quality of Written Communication**

There were few illegible scripts and most the candidates received 2 to 4 marks with a few gaining 5 marks for QWC.

#### **Paper 1 (G – C)**

Once again this paper gave very good access to pupils of all abilities. The weakest candidates were able to gain some marks in most questions and the more able pupils were able to show their knowledge and understanding of business in the more challenging questions and particularly questions 9 and 10. There were very few scripts, where candidates did not attempt to provide an answer; including answers to Q9 and Q10.

Some excellent scripts suggested that a number of candidates might have achieved higher than a C grade if they had been entered for Paper 2.

The following points can be made about the questions.

- Q.1 A well answered question in which most candidates could distinguish between consumer durable goods and other types of goods and services.
- Q.2 Generally a well answered question although some candidates suggested that membership of the EU meant more trade with China and less with the rest of Europe.
- Q.3 This was a very poorly answered question with some candidates not even attempting the question. Where attempts were made, the calculation of elements of a profit and loss account was beyond most candidates who were unaware of the difference between gross and net profit.
- Q.4 Generally a well answered question with most appreciating the definition of fixed cost. Many were confused by the distinction between shareholder and stakeholder.

- Q.5 (a) Most candidates correctly identified franchisee as the answer although the spelling of this term was variable.
- (b) Answers to this part showed that there is still a weakness in the understanding of what a franchise is and how a franchisee benefits and loses from being part of such an organisation.
- Q.6 (a) Most candidates were able to suggest two ways for a business to obtain finance. Some candidates still referred to sponsored walks and raffles or selling more goods.
- (b) Even when appropriate methods were identified there were often weak responses to why that method was suitable for the expansion plans. Few candidates were able to suggest the cost of borrowing or the method of repayment or the time taken to repay.
- (c) Most candidates gained marks in identifying information to be included in a business plan although few were able to suggest why this information is important.
- Q.7 (a) This was generally well answered with candidates being able to state and explain why partnerships might be preferred to being a sole trader.
- (b) Most candidates had some idea about the importance of a Deed of Partnership but few had more than just a sketchy idea which meant that they could not be awarded all of the marks available.
- (c) (i) Marks were missed because candidates failed to apply their knowledge to the specific business so they failed to identify that local newspapers or specialist magazines were applicable rather than newspapers or magazines in general.
- (ii) The justification for the type of media chosen was generally well answered in terms of cost or coverage.
- (d) This was often poorly answered with candidates writing about marketing and how Billy and Terri could overcome the competition rather than the locational aspects and the benefits of the small scale business.
- Q.8 (a) Most candidates correctly selected the two tasks of a finance department.
- (b) Most candidates correctly calculated net pay but too many added deductions to gross pay.
- (c) Few candidates actually knew what the acronym PAYE represents.
- (d) (i) Many were able to show that National Insurance is a statutory deduction but too many just developed the idea that it was a type of accident insurance.
- (ii) Few realised that National Insurance pays for sick pay, benefits and pensions. Most candidates erroneously believed National Insurance contributions just pay for the NHS.

- (e) This was generally well answered with candidates being aware of the steps taken in the selection process.
- (f) Again this was well answered with candidates being very much aware of the reasons why new and existing workers need to be trained and re-trained.

The last two questions were common to the first two questions on Paper 2 and were aimed at candidates expected to gain at least a C grade.

Q.9 This was generally well answered with candidates realising that materials are obtained by the primary sector.

- (a) On the whole this was answered quite well although few candidates were able to precisely explain why branding was important.
- (b) Most candidates were able to apply their business knowledge to suggest reasons why Bulldog should or should not be solely sold through Sainsbury's.
- (c) Valuable marks were lost by explaining pricing strategies rather than evaluating strategies. The best answers indicated why these strategies may be used before pointing out the problems.

Q.10 The term 'division of labour' was not understood many candidates.

- (a) This was also the case for economies of scale, even though the concept has been included many times in the past. Even where candidates recognised that 'bulk buying' is an example there were very few who were able to say that buying in bulk reduced the average production cost.
- (b) Many valid reasons for Honda setting up in Britain were given. Most concentrated on the cost of transport being saved.
- (c) Strangely, this question, which required the answer of job production, produced a huge range of incorrect but imaginative answers including 'slow production', 'flow production' and even 'hand crafted production'.
- (d) Again, many candidates were able to apply their business knowledge to suggest answers to this question. There were a range of imaginative answers considering the advantages and disadvantages to consumers of individually produced cars. Some however answered from the point of view of the business.
- (e) This was very poorly answered with the majority of candidates incorrectly interpreting the question as 'setting up abroad' rather than 'selling abroad'.

## Paper 2 (D – A\*)

There were some excellent responses on the paper but there were a few questions which were not answered fully. The standard of work was generally good where candidates were familiar with the required knowledge and understood what was being asked of them. The better candidates picked up marks with their ability to apply their business knowledge. These candidates also demonstrated breadth and depth of knowledge and the ability to analyse and evaluate situations using appropriate business terminology and sound business judgement.

There were a number of reasons for candidates not gaining higher marks.

- A number of marks were not gained because candidates failed to fully evaluate the questions. Many of the answers were one sided, failing to analyse the business situation from different perspectives. Candidates need to produce answers which consider both sides of an argument.
- Where question asked for a suggestion and explanation some students were able to give suggestions but failed to explain these.
- A further reason for low marks on some questions was a failure to read and understand the question being asked.

- Q.1
- (a) This question was well answered with most candidates gaining full marks by correctly identifying and explaining primary production.
  - (b) On the whole this question was well answered with the importance of packaging being better described than that of branding.
  - (c) Candidates were able to give the advantages of selling in Sainsbury but a few candidates were not awarded marks for disadvantages as they discussed the competition with other products within Sainsbury's: this applies to all products wherever they are sold.
  - (d) Many answers were one sided, giving the advantages of the various pricing strategies but no disadvantages. A number of candidates did not know the names of the various strategies whilst some named a strategy but gave an explanation of a different strategy.
- Q.2
- (a) Most answered demonstrated a lack of a clear understanding of the term "division of labour". Answers were incomplete failing to associate the methods of production with the work carried out and hence specialisation.
  - (b) This question was poorly answered. A considerable number of candidates could not name any economies of scale and were unable to associate the size of output with the cost per unit. The quality of the responses varied with only a small number of candidates giving full answers.
  - (c) A well answered question with most candidates gaining the mark.
  - (d) Although some candidates recognised that the answer was "job production", too many candidates had not learnt the terminology.

- (e) On the whole the question was answered fully with many candidates producing valid suggestions. However, too many gave two suggestions for advantages and disadvantages rather than a suggestion and an explanation for each.
  - (f) The quality of response varied with a few excellent answers giving sound arguments for and against international trading. However, a number of candidates did not understand the difference between international and multinational trade, hence the answer referred to cheaper costs of production abroad rather than to the costs of international trade. Also, some candidates incorrectly discussed the issues and problems relating to internal growth as opposed to trading abroad.
- Q.3
- (a) Most candidates applied their knowledge to demonstrate a good understanding of statutory deductions.
  - (b) There were many disappointing responses. The advantages of Joe setting up a private company were generally well considered. However, from the point of view of the disadvantages, too many compared private limited companies and public limited companies as opposed to sole traders and private companies. Many of the answers were confused and showed a lack of knowledge in this area.
  - (c) (i)&(ii) On the whole these were well answered with many candidates getting the correct answers.  
 (iii) Although many did get the correct answer there were a few more incorrect answers to this section where candidates were unsure how to calculate the profit made.
  - (d) Many candidates did not evaluate the effect the water park may have on both the business and local community. Answers tended to give the negative aspects on the business and positive aspects for the community. Candidates failed to read and evaluate the question fully and lost marks unnecessarily.
- Q.4
- (a) This question was reasonably well answered but some answers tended to be vague and the suggestions given on the aims Beth might have for setting up her shop lacked clear explanations.
  - (b) Most candidates made a reasonable attempt to answer this question and many fully explained the motives behind Beth's ethical policies.
  - (c) Many candidates were able to assess the situation and suggest appropriate training needs. However, many students were unable to apply general business knowledge to the specific business situation.
  - (d) The better candidates were able to give balanced answers with a well reasoned conclusion where the arguments related directly to selling on the internet. Most candidates offered suggestions as to the advantages of selling on the internet with respect to a wider target market and more sales; however, any further suggestions were far too few. Disappointingly too many candidates were not specific enough about the costs and difficulties of setting up an internet site.

- Q.5
- (a) This question was not well answered demonstrating a lack of knowledge and understanding of the term “turnover”. Many candidates could explain that turnover referred to the money coming into the business but lacked depth of knowledge in connecting this money to income received from sales. The lack of precision saw many answers suggesting that turnover was the money made by the business.
  - (b) Most candidates were able to calculate the answers correctly.
  - (c) On the whole this question was answered correctly but there were too many candidates who did not know how to calculate the percentage net profit.
  - (d) Many candidates failed to fully answer this question. Some candidates were able to name a stakeholder and give one reason only as to why they would be interested in the profit and loss account. However they could not give a second reason or provide a good explanation in order to produce a full answer. There were some candidates who could not name any stakeholder.
  - (e) A few candidates produced a balanced evaluation. Most simply explained the factors that improved motivation and gave no evaluation. Others gave very simple one-sided evaluation or merely a list of motivational techniques. Furthermore some candidates gave motivational theory but failed to apply the theory in order to answer the question.

## Coursework

The vast majority of centres adopted the coursework assignment issued by the WJEC, that of producing a business plan. One or two centres opted to submit work on the labour market.

The assignments produced by candidates reflected their ability and in most cases the work was accurately assessed. It was pleasing to see many pieces which were of a very high standard.

It would greatly assist the moderation process if centres could produce a covering letter giving a brief summary outlining their teaching groups, and also a description of the moderation process that has taken place within the centre.

It was pleasing to see that in many cases aspects highlighted in previous reports have been acted on and the overall standard of administration has improved.

In Planning a Business centres are dealing with location and the suitability of premises more effectively. Centres are including one blank questionnaire and one filled copy as well as a tally chart or synopsis of the results before an evaluation and analysis.

However one area I feel that could be developed further is the section on finance. Where centres are using a pro forma cash flow template on a spreadsheet, the teacher needs to identify this to their moderator. In this case pupils should only be given a blank pro forma spreadsheet and should use their individual research to populate the spreadsheet.

A considerable number of candidates failed to comment on the cash flow figures. Identifying any foreseen problems, e.g. the need to borrow money and offering solutions to these problems gives pupils an opportunity to acquire the higher level analysis and evaluation marks. This is something that could be rectified quite easily.

I am aware that centres have the freedom to develop or adapt the business plan to suit their own needs. I know that many centres include a section on human resources which enriches the coursework; however I would not recommend omitting the market research or finance sections to do this. As a result candidates may have lost opportunities to analyse and/or evaluate their work.

Final assessment of coursework left grade boundaries unchanged from last year, A = 54 marks, C = 37 marks and F = 17 marks.

I would also like to take this opportunity to thank the moderating team for all of their hard work, help and support throughout the moderation process.



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