GCSE EXAMINERS' REPORTS

BUSINESS
GCSE

SUMMER 2023

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BUSINESS

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COMPONENT 1: BUSINESS DYNAMICS

General Comments

This paper followed a similar structure to the previous GCSE Business papers, 100 marks were split into 5 sections of 20 marks each. The first 5 questions featured mini-scenarios and the following 4 questions focused on a range of fictitious businesses with candidates expected to apply some of their answers to the specific business. Subsequent papers will continue to follow this style.

Most candidates attempted much of this paper and questions had a completion rate ranging from 99.8% to 88.1%. This is marginally lower than the 2022 series which had a low of 88.5%. The paper this year contained two multiple choice tick box questions and one extended response synoptic question that tested candidates' knowledge across a range of areas from the specification.

Generally, there was evidence of sound knowledge of most subject areas throughout the vast majority of the paper. Once again, the main issue arising from this paper was very few candidates demonstrating the ability to gain high marks on the extended-response questions, with some candidates not fully understanding what they were being asked to do and others providing responses that did not answer the question. Although some candidates did use data better, the majority still did not, limiting their ability to access the higher marks.

Many of the candidates had been well prepared in their exam technique and candidates mostly demonstrated a clear understanding of what the command words in the question were asking. Candidates often answered in context, however as previously mentioned, there is still work to do in terms of preparing candidates to use the data they have been provided with appropriately to develop their responses and ensuring that candidates are responding specifically to the question. Candidates tended to drop the data into their responses, rather than elaborate and use the data.

Comments on individual questions/sections

Q.1 Almost all candidates attempted this question with many being correct. However, some candidates ticked more or less than two responses.

Q.2 Most candidates were able to identify at least one way a business could protect their intellectual property with some candidates correctly identifying two. Some candidates mentioned insurance in their responses which unfortunately was too vague to be relevant and correct.

Q.3 This question asked candidates to match the word to the definition. Most candidates attempted this question and were successful however many candidates confused shareholders and stakeholders.

Q.4 **(a)** Whilst this question had a high attempt rate, candidates did not understand the features of a co-operative. Candidates often used the terms such as ran by customers instead of owned by customers/workers.

(b) Candidates did have more success with this question and were able to identify how the business could help their local community. Some candidates however were lacking with their context or explanation to allow them to get the full marks.

Q.5 **(a)** The majority of candidates were able to correctly identify the production method that would be most suitable to bespoke cakes.

(b) A really pleasing set of responses to this question. Centres had clearly prepared candidates well to calculate missing areas of a cash flow forecast as the mean mark for each of these questions was 0.9 with over 90% attempt rate.

(c) This was the question that candidates across the component performed the worst on. Many candidates were discussing the importance of cash flow forecasting rather than the actual use of cash. Those candidates that did discuss the importance of cash failed to put it into relevant context or use the data available to them.

Q.6 **(a)** Candidates struggled with their responses in this question and did not show a clear understanding of a personal service thinking that it was personalised and bespoke rather than just mentioning it was for a customer or a consumer.

(b) Although the majority of candidates attempted this question many failed to identify what was being asked. Candidates had to understand the type of ownership that Danny had and then talk about the advantage/disadvantage of this. Many candidates failed to grasp this and subsequently dropped marks.

(c) Similar to Q5b candidates had a strong understanding of the mathematical methods that were required to answer these questions.

(d) This question caused a lot of error with candidates as they demonstrated a lack of understanding of the term cost of sales. Many candidates talked about a variety of reasons that were incorrect. The candidates who correctly identified what cost of sales meant were able to access both marks on most occasions.

(e) Some candidates struggled to grasp the difference between internal and external growth which was the key here. Many candidates talked about external growth as building more dog kennels which obviously is wrong. Some candidates did correctly evaluate the advantages and disadvantages of the growth methods available and many candidates used data from the case study to do so. A few candidates did talk about franchising as an internal method of growth which was credited, but centres should be aware that candidates need to know that franchising is not classed as an internal method of growth in the specification.

Q.7 **(a)** It is worth remembering that the EU is still on the specification as some complaints were heard about the relevancy of this question. Most candidates were able to access some marks from this question but it was clear that many candidates had gaps in their understanding of the EU.

(b) Candidates were able mostly to identify the positives of selling internationally but many candidates did not link this back specifically to the business in the case study.

Some candidates chose benefits that were too similar, for example a wider range of customers to sell to and an increase in revenue. Candidates must try to choose different benefits on these types of questions if they hope to achieve full marks.

(c) (**i**) Almost all candidates could identify correctly what the term chain of command meant but some candidates did not choose an example from the diagram or incorrectly used an example.

(c) (**ii**) Again, almost all candidates could identify how a wide span of control could be a negative but the application was lacking and candidates did not use the data available to them in the organisation chart.

(d) Most candidates demonstrated an understanding of the tall organisation structure and the benefits and drawbacks this brings. Some candidates went on to develop these with a balanced discussion on the merits. However, what held most candidates back was a lack of application as candidates did not put their answer into the context of a logistics company, nor did they use any of the available data from the question.

Q.8 **(a)** Another maths-based question that candidates had success on in the main. Some candidates did struggle to work out the entire size of the market which was obviously a key step in arriving at their correct answer.

(b) Candidates could identify an environmental cost, but many candidates did not read the question and went on to talk about litter or packaging which obviously falls under the waste exemption.

(c) A lot of candidates could simply explain that understanding customers would lead to an increase in sales or revenue. Unfortunately, not many then developed this response or applied it to Annie.

(d) Candidates were good at identifying how else a business could use market research but, similar to 8b some candidates did not read the question clearly and explained how it could be used to understand customers.

(e) This was the synoptic question that typically is the most difficult for candidates to answer. However, in this series the candidates showed a good understanding of all 3 areas and many candidates used key points from the case study to supplement their answer. The weakest of the areas was the characteristics of the entrepreneur whilst the strongest was how the competitive environment could affect Annie.

Q.9 **(a)** Almost all candidates achieved a mark on this question.

(b) Many candidates identified that having a USP would allow E-Spin to differentiate itself from its competitors but again, as with previous questions, candidates struggled to pick some relevant data from the case study to allow them to access higher marks.

(c) Candidates struggled to demonstrate an understanding of product portfolio in this question with some just describing the advert and how the advertising could be improved.

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(d)   Some candidates struggled to access the marks on this question as they could only identify one method of segmentation, or they discussed the same segment twice. Candidates that succeeded in this question showed good discrimination in selecting relevant data from the advert.

(e)   The last question on the paper had an 88.1% attempt rate and a mean score of 3 which shows that the majority of candidates are giving themselves ample time to attempt all parts of the paper. Candidates mostly demonstrated a good understanding of at least 3 areas of the marketing mix and applied these well to E-Spin.

Summary of key points

- Candidates tend to be using data well in the longer answer questions, but are missing opportunities to use the data in the lower tariff questions. Candidates need to realise that the data given in the stem of the question is there for a reason and application requires them to use and synthesise this data and not just simply repeat it.

- Candidates have shown good understanding of business numerical skills throughout the paper with high attempt rate and high achievement score, though should try to avoid silly mistakes and always write out the business formula.

- Centres must remind candidates to read the questions carefully, especially when there are exceptions to their answers. To many candidates seemed to rush the questions and not fully consider what was asked for them.

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COMPONENT 2: BUSINESS CONSIDERATIONS

General Comments

Most candidates completed this paper. All questions had a completion rate of between 90.8% and 99.8%. This was pleasing at it was higher than the previous series.
The question style varied and followed a similar style to previous series with one 1 mark question to a range of extended response questions including one synoptic question.
The businesses in the case study were a mixture of fictional and real businesses. The first case study was about an entrepreneur who wished to start a new venture (Question 1), and the second Clarks LTD, a high-quality show manufacturer and retailer (Question 2).

Many candidates used the data well in this paper and this was a clear strength which continued from Component 1 and also from this paper in the last series. It was pleasing to note that the 12 mark question had an attempt rate of nearly 97% (96.8%) which some candidates often shy away from but the 10 mark question was the lowest attempted question at 90.8% and may indicate that candidates did not use their time effectively in the paper.

As with Component 1 general knowledge of the subject areas was good, the candidates who did well used the data carefully to develop their responses. Questions were structured in a way to allow candidates to build on their understanding of the case study and encouraged candidates to use the data in subsequent questions to develop their responses, this worked in favour of some candidates who used the data very well to develop some sophisticated responses.

Comments on individual questions/sections

Q.1 **(a)** This question was a nice introduction to the paper for most candidates with many able to state two reasons. Candidates that did not get full marks were often vague with their reasons or just using throwaway terms like "to get a profit".

(b) Candidates had performed well with business quantitative skills on Component 1, but many candidates struggled with this question. They had confused the numbers required to be used and not carried out the division correctly. As the answer was over 100% this may have confused some candidates, but they should be aware that percentage increases can be over 100%.

(c) A lot of candidates knew why a business plan was important, but some struggled with giving two distinct reasons. Application was used by a few candidates which was pleasing but some candidates did not build on this application and specify why a business plan would be important in the given context.

(d) The case study clearly highlighted suitable sources of external finance that Dana was considering using and many candidates spotted this and used them well in their answers. Again, candidates developed their answers in context, but some stopped short of carrying out a balanced evaluation of both sources. Some candidates did get confused and suggested internal sources of finance which obviously could not be awarded marks.

(e) As it has been mentioned previously it was pleasing that such a high percentage of candidates attempted the 12 mark question. The mean score of 6.1 shows that a majority of candidates were successful too; the case study had been written in a way that clearly covered the points relevant to the question which allowed candidates to access the marks. The siting of the shop was done the best, whilst some candidates struggled to point out any issues with the market research data that was available to Dana which stopped them from getting the full 12 marks.

Q.2 **(a)** A more successful numeracy question, it was pleasing to see that the majority of candidates cope with the large (1.54 billion) numbers. However, candidates that did drop marks forgot to ensure their answer was in millions and include the £ symbol.

(b) A common misconception of this question seemed to be that many candidates said that shares in the business could only be sold to family and friends. This was not accepted as it is not true. Some candidates also got the liability of this business mixed up and therefore performed poorly.

(c) Candidates had clearly been made aware of the advantages of being a franchisee and many were able to identify these. Some candidates struggled to get data to support their answer and missed some easy opportunities, such as using the sales data from Clarks from a previous question, to supplement their answers.

(d) Clearly candidates have a good understanding of how technology can affect a business and it was pleasing to see that many candidates achieved a mean score of 4. The candidates were able to pick from the case study the relevant data and explain how this has helped Clarks. Some candidates were just focused on the CAD/CAM side of technology and struggled to cover other technologies which limited their scores slightly.

(e) This question was the worst performing question on the paper with a mean score of 0.5 indicating that more candidates scored 0 than scored a point. Unfortunately, lots of candidates failed to show an understanding of what multichannel distribution was, nor were they able to suggest why businesses may use this.

(f) Candidates showed an understanding of globalisation and how it may affect different stakeholders. Some candidates struggled to stick to the given stakeholders and just talked about globalisation in general. More able candidates did evaluate the impacts to the given stakeholders well and selected appropriate data; however even at the top end some responses were limited by not considering the wider impacts of globalisation on the stakeholders.

Summary of key points

- Candidates are using the case study data better, especially in the longer answer questions; this is leading to improved outcomes, however, there are still many who ignore large parts of the case study or just repeat it.

- Candidates could do with some reminders to follow the guidance on the front of the paper that allows them to structure their time better.

- Candidates are advised to make a clear note of what question they are answering on the extra paper as some candidates had labelled the question wrong.