



GCSE EXAMINERS' REPORTS

GCSE BUSINESS

SUMMER 2019

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GCSE BUSINESS

GCSE (NEW)

Summer 2019

COMPONENT 1: BUSINESS DYNAMICS

General Comments

This was the first examination of the reformed GCSE in Business. The paper assessed a wide range of subject content, including some of the new content. Most candidates completed the paper. All questions had a completion rate of between 99.2% - 100%. Many candidates used extra paper to develop their answers.

The paper followed a similar structure to the specimen assessment materials and the legacy GCSE Business Studies qualification. The 100 marks available were split into 5 sections.

Although all businesses in these scenarios were fictitious, it is not intended that this will always be the case. However, subsequent papers will follow the same style in terms of having 5 sections of 20 marks each.

The questions ranged from multiple choice to extended writing questions with one synoptic question that aimed to assess more than one topic in a single question.

The first 20 marks included more general, short-response questions, occasionally linking to a mix of brief scenarios. The next 20 marks focused on a local authority library (Hull City Council). The next 20 marks were based on Fry's fish and chips (an expanding fish and chip shop). Question 8, again with 20 marks, was based on The Toy Box (a struggling large-scale retailer) and the last 20 marks were focused on Prints.com (an e-commerce company).

Nearly all candidates attempted the longer, extended-response questions. The more able candidates provided some excellent responses. Generally, there was evidence of technical vocabulary throughout the paper and most candidates showed they were able to analyse and evaluate where necessary.

The main issue arising from this year's examination paper was the lack of application, with very few candidates demonstrating the ability to fully apply their understanding to the scenarios. On the whole, most candidates had good knowledge of the subject content. However, many candidates wrote completely generic answers, thus not being awarded AO2 marks for specific questions. This had a clear impact on many questions as the marks awarded were limited by this.

Revising the command words and the expectations surrounding these command words with candidates is considered a key exam technique for centres to focus on. This should be developed alongside focusing on an understanding of the subject content. The quality of answers was generally good in terms of written communication. It was clear that many candidates prepared well for the exam in terms of knowledge; however, this is not always reflected in the marks as context was a key feature for many questions, an area that many candidates failed to address.

Comments on individual questions/sections

- Q.1** Nearly all candidates were able to distinguish between durable and non-durable goods and selected the correct examples. 100% of candidates attempted this question.
- Q.2** Most candidates were able to identify the statement that showed the correct features of fair trade.
- Q.3** This question had a high attempt rate of 99.7%. Part (a) was answered better than part (b), although most did not manage to get more than 3 of the 6 marks available.
- (a)** Many candidates were able to state at least one way in which Coffee.Co could act in a sustainable manner. Some answers were too generic and simplistic and not in the context of a coffee shop e.g. recycle, whereas suggestions needed to be more specific i.e. offer reusable cups. Few candidates were able to state two suitable ways that Coffee.Co could act sustainably.
 - (b)** Many candidates were able to identify an advantage and/or disadvantage of companies such as Coffee.Co trading throughout the world. Few were able to develop their advantage and disadvantage sufficiently to achieve both AO3 marks.
- Q.4** This was another well-attempted question with 99.8% of candidates attempting it, suggesting it was an accessible question. Many candidates achieved marks on part (a) and part (b) but were not always able to develop their suggestions on part (c).
- (a)** Many candidates were able to identify 1 or 2 suitable characteristics of an entrepreneur. It was clear that candidates were well prepared for this question with lots of valid characteristics of an entrepreneur suggested by candidates.
 - (b)** This question asked candidates to identify a non-financial motive why someone would want to start their own business. A few candidates suggested motives that were too closely linked to the advantages of being a sole trader e.g. to make their own decisions. These answers were not awarded marks as it did not answer the question.
 - (c)** Many candidates were able to identify 1 or 2 ways a business could ensure they produced high-quality goods, although few candidates were able to fully develop both ways to achieve both AO3 marks. Common correct answers were high-quality raw materials and quality assurance. A few candidates mixed up quality assurance and quality control in their explanations.
- Q.5** Most candidates showed some knowledge of the requirements of this question. The mean mark was 2.6 (out of 4). It was well attempted with 99.8% of candidates attempting the question.
- (a)** Most candidates were able to identify data from the chart. Some candidates omitted million and were not awarded marks for '20' alone.
 - (b)** Many candidates were able to calculate the percentage share using the data provided. Some candidates selected the wrong data from the chart.

Candidates should be encouraged to show their workings, as a mark was awarded for the correct calculation with specific incorrect figures selected. If workings are not seen, this OFR mark cannot be awarded.

- (c) Many candidates were able to identify the correct stage of the product life cycle.

Q.6 Local authority library (Hull City Council)

This was the first question in the second section of the paper. The 5 questions in this section of the paper were about a local authority library. This section proved the most accessible part of the paper with 99.8% of candidates attempting this section. The facility factor was 49.4 and the mean was 9.9 (out of 20).

- (a) Many candidates were able to identify the correct application method of a CV. Many candidates who were not awarded marks for this question identified email as the application method and were not awarded marks.
- (b) Many candidates were able to correctly state what is meant by a person specification. Some candidates confused a person specification with a job description and were not awarded marks.
- (c) Most candidates were able to identify how the advert had broken employment law by asking for a female. Many were able to develop their answer to achieve a further mark. However, few were able to develop their answer fully to achieve the third mark. A few candidates gave confused answers about working hours, suggesting that working over 37 hours per week was against employment law.
- (d) Most candidates knew that overtime was the financial method of motivation specified in the advert.
- (e) Many candidates were able to identify 'off-the-job' and 'on-the-job' training as a suitable type of training. Few candidates were able to develop their answers enough to achieve full marks. Some were able to use context to develop their answer, though many were not able to access the AO2 marks as they wrote a very generic answer. Candidates that did use context in their answer used examples such as on-the-job training would allow staff who already used the library computer system to train others and share their skills.
- (f) This extended writing response style question showed that many candidates had a good knowledge of internal versus external recruitment and their benefits to an organisation. Many candidates were able to gain 2 marks for this. Few candidates were able to use a good level of application to develop their answer (AO2) for this question, which was worth half of the marks; therefore, generic answers did not score well. Most candidates offered a limited analysis due to lack of detail and depth in their answers. The best answers carefully picked out relevant data from the scenario to help develop the answer e.g. they understood that internal recruitment would be cheaper and linked this to the budget cuts mentioned in the scenario.

Q.7 Fry's fish and chips

This question was about two brothers who own a fish and chip shop called Fry's, working as a partnership. This question proved to be the second most accessible of the final four sections, with 99.2% of candidates attempting the question. The mean mark was 9.3 (out of 20), again, the second highest of the final four sections. The facility factor was 46.5.

- (a) (i) Many candidates were able to state the correct formula to calculate gross profit margin. A few candidates were not awarded a mark for stating sales rather than sales revenue; however, those candidates were able to still get the correct answer in 7 (a) (ii).

(ii) Most candidates were able to calculate the gross profit margin. This question was answered well.
- (b) (i) Most candidates were able to state how Fry's could be affected by a competing fish and chip shop. A few were able to apply this to the context of the fish and chip shop in a basic sense and many answers used limited or no context giving generic responses. Many were able to offer further development, even if they didn't include context. Suitable answers included loss of customers due to the new shop. Only a small number of candidates were able to go on and develop their answer fully in the context of Fry's.

(ii) Many candidates were able to state how Fry's could be affected by a rise in unemployment. Correct answers included more disposable income. Examiners were pleased to see this technical vocabulary used. Alternative good answers included the inability to get people to work at the shop if unemployment had fallen. Some candidates confused unemployment and employment and stated that they would have too many people applying for jobs; these types of answers were not awarded marks. Again, there was a lack of context in the development as with 7 (b) (i)
- (c) Many candidates were able to identify one piece of suitable information in a deed of partnership. Some candidates simply wrote about the features of a partnership and were not awarded marks.
- (d) Candidates were asked, in this question, to advise the Fry brothers on whether they should become a private limited company. On the whole, this question showed a lack of structure in candidates' writing and a lack of ability to consider both the options of becoming a private limited company or remaining as a partnership, this capped the candidates' marks as they failed to consider both options. Again, many candidates omitted to use any context and many wrote a very generic answer. The words quantitative and qualitative confused a few candidates and they wrote about market research. This is likely to be a style of questioning used in the future, where candidates are expected to use both quantitative and qualitative data from the scenario to support their answers. It is suggested that centres review this with candidates in preparation for examinations. Candidates who used quantitative data well selected data from the table which showed financial data and used this to support their advice. The candidates who did not consider both types of ownership wrote unbalanced advice and were then limited on the AO3 marks they could achieve.

Q.8 The Toy Box

This section about The Toy Box proved to be the least accessible of the final four questions, as it was the least attempted (98.8%) and also had the lowest mean mark on the paper with 7.9 (out of 20). The facility factor was 39.5.

- (a)** Identifying two stages of the sales process was a question that was poorly answered with nearly all candidates unable to suggest two suitable stages. Customer service was not awarded as an acceptable answer. Many candidates tried to suggest closing a sale but were not specific enough in their answers.
- (b)**
 - (i)** Many candidates were able to calculate the percentage of net profit. Again, candidates could have benefited from including their workings.
 - (ii)** Many candidates were able to calculate the average. Some candidates did not write million and did not receive a mark.
- (c)** The sales promotion question caused some confusion amongst candidates. It was clear that many candidates did not understand the difference between advertising and sales promotion, and this should be reinforced at centres. In order to gain development marks, candidates needed to write in the context of The Toy Box, using examples specific to toys. Only a few candidates did this, thus AO2 marks were often not awarded. To use context in this question, candidates needed to simply suggest a method of sales promotion e.g. BOGOF and then make reference to how The Toy Box could have used this e.g. buy one toy and get another toy for free attracting more sales.
- (d)** In this question candidates were asked to discuss the advantages and disadvantages of The Toy Box selling online. Many candidates had good knowledge of this topic; however, a few got confused and wrote from the perspective of the customer, which was incorrect. Again, many candidates did not use the context of the question and wrote generically, losing half the marks and also limiting the AO3 marks they could be awarded. There was a lot of information in the scenario that was designed to allow the candidate to use to develop their answer e.g. the table showing the number of stores. Most candidates did consider both advantages and disadvantages, but discussions were often too simplistic.

Q.9 Prints.com

This was a well-attempted section of the paper, which was very encouraging as it suggests that the paper was accessible in the time provided, with 99.2% of candidates attempting this final section of the paper. The mean mark for this section was 8.7 (out of 20) and the facility factor was 43.4.

- (a)** Many candidates were able to select the correct definition of the average rate of return.
- (b)**
 - (i)** This question was not well answered with few candidates able to recall the correct formula to calculate ARR. Some candidates did not include the word average in their formula and were not awarded marks. This is a new aspect of the specification and needs to be taught more rigorously by centres.

- (ii) Few candidates were able to calculate the correct average rate of return for the printing machine; however, many candidates were able to calculate the first stage, showing their workings earning them 1 of the 2 marks.
- (c) This question was well answered with many candidates able to describe a suitable source of finance for Prints.com. Some candidates offered unsuitable methods for this large amount e.g. an overdraft, which would not be a suitable source of finance for such a large purchase. It would be worth centres reinforcing the suitability of methods with candidates. Many candidates were able to develop their answers well.
- (d) This synoptic style question not only wanted candidates to use the quantitative and qualitative data from the text but also to include two different content areas in their answer. Candidates were requested to make reference to human resources and methods of production in their answer. Many candidates were able to talk about either production or human resources; however, few were able to write about both, therefore limiting the AO1 marks available. A few were able to use both quantitative and qualitative data. There was a lot of information in the scenario that was designed to help the candidates to develop their answers. Centres are advised to practise this style of synoptic question with candidates for future examinations and guide them to write in a way that allows them to use the data available to support their answers. The best answers linked the data to their knowledge allowing them to access the AO2 marks. In particular, those candidates who made reference to the ARR that they had calculated in previous questions to support their assessment did well.

Summary of key points

- Many candidates had a good general understanding of the subject content; however, this was not always reflected in the marks due to the ongoing issue with not applying this knowledge where required.
- It was clear many candidates worked hard to prepare for this paper and the attempt rate, and number of candidates who finished the paper was very encouraging.
- Exam technique is an area that could help candidates improve further for future examinations, in particular, by learning to use context to develop answers and clearly understanding what the expectation is for a question based on the command word.
- Particular topics where there were clear gaps in knowledge were the sales process and ARR; these areas should be a priority in centres.

GCSE BUSINESS

GCSE (NEW)

Summer 2019

COMPONENT 2

General Comments

The first Component 2 paper of the revised GCSE Business qualification was considered challenging for many candidates. The format of the paper, in line with the Sample Assessment Materials, consisted of a case study for candidates to read and questions based on the case study. The case study was presented in a separate resource booklet to the examination paper; this format will continue in subsequent papers. The businesses in the case study were BookBase (Question 1) and ASOS (Question 2). The format of a fictional and a real business will follow in future papers.

Many candidates were able to show knowledge and understanding of the majority of content assessed across the paper. There were questions not attempted by a few candidates throughout the paper; however, there were no clear patterns in terms of candidates not attempting a particular question or questions.

Sufficient time for the paper was available for most candidates to complete the paper with enough time for candidates to develop their responses further. Many candidates used additional paper, allowing them to fully develop their responses if required.

The questions, generally, were well attempted. The attempt rate was greater than 92% for all questions, demonstrating clear accessibility of the paper, with even the longer, more challenging questions being well-attempted.

As with component 1 the main issues that led to candidates not getting high marks on a few particular questions was a lack of context used in responses, particularly in the longer 12 mark questions, in both 1(f) and 2(f). Some candidates did not refer at all to the case study in some questions. This led to a loss of context marks (AO2), which (in the case of the aforementioned longer 12 mark questions) may have led to a potential loss of 4 marks (AO2). The style of the paper is designed to encourage candidates to use the data on offer to support their knowledge and develop their answers. The more able candidates performed well and used the resource materials to access the highest marks available. The best responses were produced by candidates who took time to read the case study carefully and were able to make direct reference to this in their answers where required.

It is important that candidates understand the command words and assessment objectives (AOs) so they are able to meet the requirements for the paper. Across the paper marks were generally low. Although knowledge was clear and questions were well attempted, lack of good exam technique prevented many candidates achieving good marks.

The quality of written communication was generally good. It was clear that many candidates prepared well for the exam in terms of knowledge. The use of technical vocabulary was also considered good for many candidates.

Comments on individual questions/sections

- Q.1**
- (a)** Most candidates had an understanding of what was meant by a sole trader; however, many candidates were unable to give a clear definition. 99.5% of candidates attempted this question, which is encouraging, however, the mean mark was 0.5 (out of 1). This was intended to be a very accessible question. Centres must teach candidates to give clear, correct definitions.
 - (b)** This question was well attempted with 98.6% of candidates providing an answer. The mean mark was 1.8 (out of 4), which is considered low. Most candidates showed good knowledge of the impact of operating as a sole trader; however, actually applying it to Yasmin and BookBase (AO2) became more of an issue for candidates. Good answers made reference to the fact that Yasmin could make decisions about the type of books she wanted to sell.
 - (c)** This question required candidates to explain three advantages and three disadvantages of BookBase using primary research. This was quite well-attempted with 97.9% of candidates writing a response. However, this question was not well-answered, with a mean mark of 2.2 (out of 6) and a facility factor of 36.8. Many candidates were able to identify 2 or 3 suitable methods of primary research, which is encouraging; however, candidates were not always successful in developing their answers sufficiently. There were misconceptions with a few candidates mixing up primary and secondary research.
 - (d)** This question was broken into 3 parts and asked the candidates to perform various calculations based on a cash flow statement for BookBase provided in the case study. 98% of candidates attempted this question and gained a mean mark of 2.5 (out of 3), which is very encouraging.

 - (i)** The candidates were asked to calculate the predicted opening balance for August for BookBase. Most candidates were able to calculate the correct answer.
 - (ii)** The candidates were asked to calculate the total payments for September for BookBase. Most candidates gave the correct answer.
 - (iii)** In this question, candidates were asked to calculate the predicted closing balance for December. Again, most candidates gave the correct answer to this question.
 - (e)** The cash flow question was not very well-answered generally, despite being well attempted with 98.3% of candidates giving a response. Many candidates were able to achieve 1 or 2 marks, but identifying a second valid reason was a little challenging for many. The mean mark was 1.1 (out of 4) and the facility factor was 26.8. Even though candidates were able to calculate different parts of a cash flow forecast (in 1d) they found it difficult to explain suitable reasons why it was important to a business. Candidates who answered this well used examples such as being more likely to secure finance as a suitable reason why a positive cash flow is important to a business.
 - (f)** In this extended writing question, with a maximum of 12 marks to be gained, candidates were expected to demonstrate their knowledge of the marketing

mix and the sales process in order to answer the question fully. They needed to use context, by referring to relevant parts of the case study to develop their answers, while being able to analyse and evaluate the points they had made. The mean mark was less than half marks. The question was well attempted with 96.5% of candidates giving an answer. Candidates showed a good understanding of marketing but showed limited understanding of the sales process. Again, many candidates failed to use specific data from the case study to develop their answers, a few answers were completely generic, this lack of context then limited the candidates in terms of analysis and evaluation. This led to a low mean mark for this question of 4.1 and a facility factor of 34.2, which was disappointing. Candidates' writing was generally well structured. Specialist vocabulary was well used but there was a clear lack of subject knowledge in some areas and analysis was often a little weak.

Good answers did not always specify the specific parts of the marketing mix, but intelligently used their knowledge of the different areas of the marketing mix to discuss how BookBase could compete with large competitors, e.g. discussing BookBase's USP or location. These answers were awarded marks where appropriate. Some candidates suggested very unrealistic ways BookBase could compete with its large competitors, not taking enough care to consider BookBase was a small, struggling business. This emphasises the importance of candidates taking sufficient time to carefully consider the case study before answering questions. As mentioned previously, understanding of the sales process was considered weak.

- Q.2**
- (a)** What was intended to be a very accessible question turned out to be challenging for most candidates. When asked to state what was meant by the term sales turnover most candidates offered a low-level response for a business paper which did not consider that a business would need to sell products/services to receive income. The mean mark for this question was a disappointing 0.1, with a facility factor of 14.1. Despite this, 95.6% of candidates did attempt this question. As with question 1a, suitable definitions are an area for centres to work on generally.
 - (b)** This question was quite well answered. Many candidates were able to give a suitable definition of brand to gain a mark; however, many were not specific enough, leading to a mean mark of 0.4.
 - (c)** Most candidates were able to calculate a percentage. Some candidates used incorrect data but were still able to achieve a mark if certain incorrect data was selected and calculated correctly, again emphasising the importance of candidates including their workings. This question received the lowest attempt rate of 92.1%. The mean mark was 1.3 (out of 2).
 - (d)** Although it was clear that many candidates had an understanding of digital and social media, achieving higher than 1 or 2 marks was difficult for many, with only a few able to achieve high marks in this question. The mean mark was a very low 2.2 (out of 8) and had a facility factor of 27.1. Many candidates missed the point of the question, which was to analyse the advantages and disadvantages of ASOS's use of digital and social media to communicate. Few candidates talked solely about selling online, which was not the question.
Many candidates did not make sufficient use of context to develop their answers, thus not being awarded a potential 4 marks for context (AO2).

- (e) Many candidates showed a good knowledge of the supply chain, suggesting the importance of getting items to customers on time as an explanation of why the supply chain was important. Many were able to use a little context to support their explanations. Many were then unable to take answers further in terms of developing their explanation (AO3), leading to a mean mark of 2.5 out of 6. This question had one of the lowest attempted rates with 94.8% of candidates offering an answer.
- (f) The final question was well-attempted for a final question with 93.1% of candidates offering an answer. This illustrates that most candidates had sufficient time in which to complete the paper. It was clear from responses that candidates had a good general understanding of the meaning of a stakeholder; however, the question required candidates to specify the type of stakeholders. Quite a few candidates did not name a particular stakeholder, leaving the examiner to infer who the stakeholder was. This was not considered appropriate to gain marks. This led to a low mean mark of 3.2 (out of 12) and a facility factor of 26.3. There was a lot of scope in this question for candidates to consider a wide range of stakeholders, with the most popular stakeholder considered being the customer. Candidates who did specify stakeholders often went on to support their answer with context. Responses were often unbalanced and marks generally low for AO3. To make full use of context, candidates really needed to be selecting key data from the case study. A few candidates did this very well, which was encouraging. Generally, as with 1(f), centres would benefit from focusing on style when teaching candidates how to approach these questions.



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