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BUSINESS STUDIES

Paper 0450/11
Short Answer/Structured Response

Key Messages

Many candidates did not apply their knowledge to the context provided. This examination paper has a significant number of marks available for application. In order to access these marks candidates must apply their knowledge to the particular situation identified in the stem of each question.

Application within answers remains the weakest area of candidate responses and one which must be addressed by Centres when preparing candidates for this examination.

Candidates would benefit from more practice in the techniques of answering the higher mark parts of each question, particularly with respect to how to produce an evaluative answer in part **(e)** of the questions.

General Comments

Candidates were generally well aware of the knowledge required for the examination and attempted most questions.

There was evidence that candidates did not understand parts of the syllabus. This was clearly shown in **Questions 2(d)**, **3** and **5**. The impact of a competitive market and the uses of an organisation chart were not clearly understood.

Part **(c)** and **(e)** of questions were the most challenging for candidates. These questions ask for application of knowledge to the specific organisation identified at the start of the question. Application marks were frequently not awarded as the candidate had ignored the information provided and therefore provided analysis that was inappropriate for the business. In part **(e)** evaluation marks were often not awarded as many candidates simply stated 'yes it will' or 'no it will not'. Candidates should be reminded that an evaluation must be a justified decision that follows from the points raised in the answer.

Candidates should be encouraged to:

- follow the command word in the question
- learn precise definitions for key terms
- show all working throughout calculation questions
- read the stem of the question carefully to identify the type of organisation under discussion in the question
- refer to the information within the stem of the question throughout their answers.

Comments on Specific Questions

Question 1

(a) Candidates generally had an understanding of the term. A number of candidates did not identify that the key factor is that the ownership is by an individual. Such candidates often stated that the sole trader '**ran**' the business alone.

(b) Generally well answered, though a number of candidates incorrectly stated 'wages'. A small minority gave methods of payment e.g. cash, cheque, or the time period 'weekly and monthly.'

(c) A significant number of candidates lost marks for stating 'bank loan' which is too vague given that only long-term methods would be appropriate for purchasing property. A minority of candidates identified methods that were inappropriate such as a share issue or overdraft.

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(d) Most candidates were able to identify two appropriate methods, but few were able to apply this to Lu's business. A small number of candidates gave answers related to media (e.g. newspaper, magazines) without mentioning advertising and so could not be rewarded.

(e) Many candidates were able to make general statements about the possible effects on revenue and costs; only the most able candidates could apply that information to the stimulus material given in the question. A number of candidates correctly identified that the overall profitability of the enterprise would depend upon the accuracy of market research undertaken. Too many candidates made statements such as 'this will increase profits/sales/market share' but did not explain how or why this increase would occur. Evaluation points were therefore not awarded, as the conclusions were not justified.

Question 2

(a) This question was generally well answered. Some candidates did not identify the relationship with levels of output or sales in their answer.

(b) Many candidates had a general idea of how the business improved the cars through repairing them. Only the better candidates were able to explain the idea of improved worth. Very few candidates gave a precise definition that explained the link between price and the costs of resources used in production. A common error was to confuse added value with profit margin.

(c) A number of candidates found this to be a quite straightforward question. Almost all candidates were able to correctly calculate sales revenue. A common error was to not include the fixed costs in the total cost calculation. A significant number of candidates did not show their working at each stage.

(d) This question was poorly answered by all but the best candidates. Weaker candidates provided a description of each term rather than answer the question set. The better candidates identified that the flow of money into and out of the business would be affected by credit sales.

(e) The strongest candidates were able to recognise the difficulties Rakesh's business might experience in a recession. Such candidates used their knowledge, and the evidence provided, to evaluate the impact of falling incomes on the demand for this luxury item. Weaker candidates provided answers based around the effects on the economy. Many of these answers confused inflation and recession. Evaluation was generally very weak.

Question 3

(a) This question clearly differentiated between candidates. The large number of correct responses showed clear understanding of the arithmetic involved. A number of candidates were confused by the data provided and incorrectly produced an answer of $4m. A significant number of candidates did not recognise that the figures were in $m.

(b) This question was generally well answered. A common error made by some candidates was to state that there had been a fall in demand, although the data in Table 2 clearly showed rising sales.

(c) This area of the syllabus was not well understood by candidates. Although candidates were often able to identify a potential advantage, only the most able candidates were able to explain why this would be an advantage to the company.

(d) This question differentiated well between candidates. Candidates who recognised that changing to competitive pricing would reduce the business's prices were able to produce good responses. Application to the soap market was rarely provided. A number of candidates thought that prices might increase and therefore produced largely irrelevant answers.

(e) The majority of candidates understood the concept of increased competition within markets. The benefits of lower prices and greater variety were commonly highlighted. Better answers discussed why quality might be reduced, or prices increased, in the longer term as a result of rising advertising costs. The majority of candidates struggled to apply their answer to the soap market and only the most able could provide a conclusion that evaluated.

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Question 4

(a) A number of candidates were not specific in their answers. Such answers often did not recognise that the key feature of this system is that the management makes all decisions. A significant minority confused 'autocratic' with 'automatic'.

(b) This question was generally well answered.

(c) This question differentiated well between candidates. Weaker candidates misinterpreted the question and explained how Genel could motivate its workers rather than the benefits to the company of such motivation. Such answers were more appropriate for part **(d)** of this question.

(d) Most candidates were able to identify two methods of improving productivity, most commonly through higher wages or piece rate systems. The analysis of these methods was frequently detailed. Very few candidates made use of the data provided to show how the methods could be applied to the given business.

(e) This was a difficult question for many candidates. Many were able to identify the issues, but they struggled to explain why the Government should become involved.

Question 5

(a) A significant number of candidates did not provide a clear definition. Most candidates identified a multinational as 'operating in more than one country'. Better answers recognised the need for production or service operations, or headquarters in the home country.

(b) (i) This area of the syllabus was generally not well understood by candidates. A number gave vague answers that did not relate to the information shown in Figure 1.

(ii) A surprising number of candidates struggled with this question, the most common incorrect answer being 3 levels.

(c) This area of the syllabus was clearly not well understood by many candidates. The most able candidates recognised that this was a large multinational company and explained the problems of communicating across three continents, language issues being the most frequently applied point. A large number of candidates were unable to access the Application marks available. Such candidates frequently realised that this organisation had a tall hierarchy but they were unable to explain in context how this created problems in communication.

(d) This question was not well answered by candidates. Only the best candidates were able to identify an advantage of centralised decision-making, the most common being the speed of decision-making. Many candidates did not understand the meaning of centralised decision-making and explained that all members of the company would feel involved in the decisions.

(e) Most candidates had a very good understanding of the benefits and drawbacks of MNCs, but very few candidates applied this knowledge to the context of Zalpha. A small number of candidates misinterpreted the question and discussed the benefits and drawbacks to Zalpha of being an MNC.

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BUSINESS STUDIES

Paper 0450/12

Short Answer/Structured Response

Key Messages

- Candidates must read questions carefully to identify both the type of business and whom they are writing their response about. This will ensure responses are appropriate for each given situation. Information contained in the stem of each question will prove helpful in answering the questions set.
- Parts **(a)** and **(b)** of each question required the recall of knowledge or the application of knowledge linked to a given context. These parts were generally done well. More precision is needed when using business terminology.
- Parts **(c)** and **(d)** require candidates to identify and explain points. Development of each point in context is required.
- Part **(e)** requires candidates to include more developed explanations and a logical decision based on points made. Candidates should be encouraged to develop, rather than simply list a number of points, and when possible provide a two-sided argument.

General Comments

There was evidence that candidates did not understand some parts of the syllabus. Concepts such as delegation, cash flow forecast and the relationship between profit and cash were clearly not understood by a large number of candidates. Candidates also continue to confuse productivity with level of output, sales with profit and price with cost.

The application and analysis marks were often not awarded as the answer given did not constitute an explanation of point identified but was simply another knowledge point or a repetition of the initial point. Some candidates did not read the questions carefully and hence had the wrong focus in their responses or did not address the specific question asked.

Part **(e)** of all questions continues to be the most challenging for all candidates. Only the best candidates were able to suggest and justify decisions successfully. Other candidates often provided a simple list of knowledge points. Of those who did attempt an evaluative statement, many were unable to provide reasoned statements to back up their choice.

Comments on Specific Questions

Question 1

(a) Well answered as most candidates knew that a partnership involved more than two or more people who own a business. A common error was to confuse the term with merger.

(b) Most candidates showed good knowledge of payment methods. A common error was to identify different forms of time rate, which could only be credited once.

(c) Candidates were generally aware of possible advantages of setting objectives. Only the strongest responses were able to apply their knowledge of points such as 'motivation' and 'sense of direction' to show how they would help this particular business. A common error was to identify possible objectives which did not answer the question set.

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(d) This question produced a range of responses. Many were able to identify at least one relevant advantage, with sharing ideas and costs being typical choices. Better candidates developed points raised to show how they could benefit a business. Only the best responses linked their answers to the scenario. There were two common mistakes. Instead of development, some candidates just repeated the knowledge point or stated that this would help the business without saying how this might happen. Some candidates had the wrong focus as they assumed the businesses had merged or that it was a retailer rather than a manufacturer.

(e) A number of candidates gained high marks on this question. Good answers identified appropriate ways and then explained how each one might help achieve their stated objective. The best answers used the information provided in the stem to help support points made. A final judgement was then offered to answer the question set. A number of answers, instead of development, simply stated that the method would increase profit rather than explain how this could be achieved. A number of candidates had the wrong focus as they discussed ways that the business could grow, rather than increase profits. Evaluation in many responses was simple or not attempted.

Question 2

(a) This question was generally well answered.

(b) Generally well answered as most candidates were able to identify at least one example. A common mistake was to state items such as 'wages' and 'raw materials' which had been identified already in the table.

(c) Candidates who did well were able to identify at least one reason why the business had a negative closing balance. These candidates made good use of the source material provided to develop their answer. A number of candidates identified similar points such as cash outflows were greater than inflows for both reasons and this could be credited only once. A number of candidates did not attempt the question.

(d) Cash flow forecasts are clearly an area of the syllabus with which some candidates are not entirely familiar. The best responses were able to correctly identify at least one advantage and attempted to explain how being able to manage cash flow might be useful to this business. Few made use of the source material to support the points being made. There were two common errors. Instead of development some repeated the knowledge point. Others outlined the same point for both advantages. A common misconception was to assume that a cash flow forecast shows profit and loss.

(e) This question was one of the most challenging parts of the question paper. Those who did well were able to identify at least one reason why either a positive cash flow or profit was important. These candidates recognised what each concept represented and were able to show how or why they could be important to a business. Few candidates offered any application. A number of candidates incorrectly assumed that profit was used to pay day-to-day expenses. Others assumed that cash flow and profit were the same. Evaluation was limited. A number of candidates did not attempt the question.

Question 3

(a) This was well answered by most candidates. Some candidates did confuse the term with competitive pricing.

(b) This question proved challenging to many candidates. Those who did well had correctly used the additional information from the stem to calculate total sales. It is important to read the question carefully.

(c) Most candidates were able to identify at least one advantage. Better candidates did attempt to explain how 'changes in fashion' and 'high prices' might lead to falling sales. Application in many responses was limited – these candidates gave answers which could equally apply to any business.

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(d) This question proved to be a good discriminator. Most candidates were able to identify relevant factors and attempted to explain how or why the business needed to consider these issues. The strongest answers applied the information given in the question to highlight the importance of each factor for this clothing manufacturer. A number of candidates had the wrong focus as they identified issues for selling clothes rather than choosing a supplier, which was not the question set.

(e) Good knowledge of issues was evident in most responses. The best answers considered points both for and against reducing the prices for all its products. Such answers identified relevant information from the stem, and explained how this was relevant to any pricing decision. An appropriate decision based on their argument was then offered. Weaker candidates offered simple statements such as 'sales would rise' but were not able to develop the points to show how or why the lower price would benefit Rhiannon (or not). Evaluation in many responses was simple or not attempted. A common misconception was to assume that any increase in sales volume would automatically lead to an increase in profits.

Question 4

(a) This question produced a range of responses. Those who did well were able to identify at least one feature, with 'long chain of command' and 'narrow span of control' being typical responses. A common error was to identify features of any organisation chart rather than specific features of a 'tall and hierarchical' one.

(b) A large number of responses showed imprecise definitions of this term, with only the most able scoring both marks. There were two common mistakes. Some confused the term with 'span of control' while others simply repeated the words used in the question.

(c) Most candidates were able to identify at least one way with 'meetings' and 'emails' being typical choices. Better candidates were able to explain why these methods were appropriate. There were two common errors. Some candidates had the wrong focus as they identified methods of external communication. A number of candidates outlined categories such as written communication rather than identify specific ways.

(d) Most candidates were able to identify at least one disadvantage. Better candidates explained how 'the distance involved' and 'different laws' might create problems. The best answers made good use of the context to show the possible impact on Grenada. Application in many responses was not attempted. Some candidates confused operating in many countries with relocation, which did not answer the question set.

(e) It was clear that this area of the syllabus was not fully understood by a number of candidates. Candidates who understood the idea of delegation were able to offer detailed explanations to show the possible benefits (or not) of using it in decision-making. The best answers used the context well to help support the points being made and made an appropriate decision based on the points discussed. Weaker answers were characterised by simple statements which were not developed. Evaluation in most answers was simple or not attempted. A number of candidates did not attempt the question.

Question 5

(a) Few candidates were able to provide a clear and precise definition. There were two common errors. Some confused the term with shareholders or owners. A number of candidates outlined general features which could apply to any manager.

(b) Well answered by most candidates. A common error was to identify different employee groups, which the question excluded.

(c) This question produced a range of responses. Those who did well could identify at least one benefit of reducing costs. Such candidates were able to explain how such points as 'higher profit margin' and 'able to charge lower prices' might be helpful. A common error was to repeat the same point for both parts. Others had the wrong focus as they explained ways a business might achieve lower costs, which did not answer the question set.

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(d) Most candidates could identify at least one method of improving productivity, with introducing technology and ways to increase worker motivation being popular choices. Better candidates developed the points raised to show how each method would help increase productivity. Many candidates struggled to apply their knowledge to the scenario. Some candidates repeated the knowledge point or simply stated it would improve productivity without saying how this would be achieved.

(e) This question proved challenging for many candidates. Only the strongest candidates were able to offer any evaluative comments. Typical answers focused on damage to image and how not treating workers fairly might lead to lower motivation. Better answers attempted to show the impact of such points on businesses. Many candidates had the wrong focus as they discussed general management issues and motivation rather than ethics. Others discussed ways to improve motivation or reasons why profits might be low. None of these approaches answered the question set. Few candidates attempted an evaluation. A number of candidates did not attempt the question.

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BUSINESS STUDIES

Paper 0450/13

Short Answer/Structured Response

Key Messages

- It is important to remind candidates that they must carefully read questions to identify both the type of business and whom they are writing their response about. This will ensure responses are appropriate for each given situation. Information contained in the stem of each question will prove helpful in answering the questions set.
- Parts **(a)** and **(b)** of each question required the recall of knowledge or application of knowledge linked to a given context. These parts were generally done well. More precision is needed when using business terminology.
- Parts **(c)** and **(d)** require candidates to identify and explain points. Development of each point in context is required.
- Part **(e)** requires candidates to include more developed explanations and a logical decision based on points made. Candidates should be encouraged to develop, rather than simply list a number of points, and when possible present a two-sided argument.

General Comments

There was evidence that candidates did not understand some parts of the syllabus. Some candidates struggled with concepts such as pressure groups, segmentation and profit margins. A number of candidates continue to confuse the terms profit and sales, as well as price and cost.

The application and analysis marks were often not awarded, as the answer given did not constitute an explanation of point identified but was simply another knowledge point or a repetition of the initial point. Candidates must try to link points to the given scenario.

Part **(e)** of all questions continues to be the most challenging part for all candidates as it attempts to assess their evaluative skills. The better candidates did justify decisions successfully. Weaker candidates often provided a simple list of knowledge points, when it is better to develop two or three issues – this will help access the marks for application, analysis and evaluation.

Comments on specific questions

Question 1

(a) Very few candidates were able to provide a clear and precise definition. Most candidates could identify or explain a feature such as limited liability rather than the term itself. A common error was to identify examples such as private limited companies.

(b) This question proved difficult for many candidates. The most able candidates could identify two reasons, with measure of success and source of finance being typical choices. A number of candidates wrongly assumed that profit was used to pay day-to-day expenses.

(c) Candidates were generally aware of the benefits of using this particular payment method. Better responses were able to develop the points to show how it helped CF. A common mistake was to repeat the same point for both advantages.

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(d) The best responses developed the points identified to show how each method would work and then went on to explain why it was suitable for CF. Weaker candidates identified methods, but could not develop the points. Many stated that it would increase sales without saying how or why this would be achieved. A number of candidates ignored the context of the question so did not link the points to this particular business.

(e) Candidates clearly understood the advantages and disadvantages of reducing the number of employees leaving. The best responses used the information from the stem to help them make a justified conclusion about whether this would help CF. Many candidates provided long lists of points, but did not develop them. Some had the wrong focus, so discussed reasons why people might leave or offered solutions that did not answer the question set. Evaluation in many responses was simple or not attempted.

Question 2

(a) Most candidates showed good knowledge of features of a boom. A common error was to describe the recovery or growth stage of the economic cycle.

(b) This term was not well understood by candidates. Only the most able candidates could provide a precise definition of a pressure group. A common mistake was to repeat the word 'pressure' or give examples, which the question did not ask for.

(c) Candidates were generally aware of social costs, with 'pollution' and 'congestion' being typical choices. Only the stronger answers developed the identified points to show how new factories might create these problems. Many candidates struggled to apply their knowledge.

(d) This question proved difficult for many candidates. Most candidates could identify at least one way to encourage new businesses. Only the best answers were able to explain the benefits of measures such as financial assistance and training. A common error was to explain what the method was, rather than show how it could encourage the new business start-ups.

(e) This question was one of the more challenging parts of the question paper. Most candidates could identify at least one issue, such as increased incomes and competition. However only the best candidates were able to develop these points to show how or why new businesses might be successful in a boom. These candidates considered points both for and against the statement to help them reach a justified conclusion. Weaker answers were characterised by generic statements that could apply to any business at any stage of the business cycle.

Question 3

(a) A large number of responses showed imprecise definitions of this term, as they confused maturity with the decline stage of the product life cycle.

(b) This question was well answered by most candidates.

(c) This question proved to be a good discriminator. Most candidates could identify at least one way, with advertising and sponsorship being typical choices. Better candidates were able to develop the points. A common error was to repeat the question by stating that it would increase awareness rather than explaining how this would be achieved.

(d) This question proved challenging for many candidates. Candidates who understood the idea of segmentation were able to offer detailed explanations of how it could be used in this market. A common error was to explain different ways of attracting customers rather than use customer characteristics.

(e) This question differentiated well between candidates. Good knowledge of appropriate methods was evident in many answers. Better candidates developed their answers to explain how the method would work. The best answers made good use of the information (such as it was a competitive mark) to help support the points made. Many candidates struggled to make a justified conclusion. A common error was to offer simple generic statements such as high or low prices rather than identify specific pricing strategies.

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Question 4

(a) Most candidates correctly calculated the relevant numbers.

(b) Well answered by those candidates who attempted the question.

(c) The concept of fixed costs was clearly understood by the majority of candidates. A common error was to state that the costs would not change, but without linking this to output. Most candidates were then able to identify relevant examples.

(d) This question produced a range of responses. The best answers identified problems and explained the impact on Juta's business. Many candidates were able to identify problems such as exchange rates and quotas, but were not able to develop the points. A number of candidates struggled to apply their knowledge.

(e) This question differentiated well between candidates. Only the stronger candidates were able to offer a fully supported evaluation. Such answers identified issues such as the difference between rising sales and profits, and the falling profit margin. The best candidates used the data and information provided in the stem to help them reach their decisions. A large number of candidates identified simple points about the profit and sales, but offered no development. A few candidates had the wrong focus as they suggested ways to increase sales and profit, which did not answer the question set. Evaluation in many responses was simple or not attempted.

Question 5

(a) Well answered by most candidates. A common mistake was to repeat a similar point for both parts of the question.

(b) Few candidates were able to provide a clear and precise definition of the term. A common error was to repeat the term by saying it was not efficient.

(c) Only the stronger candidates were able to identify advantages and explain how or why these points might represent a problem to Salters. A common error was to identify reasons why Salters might not be able to meet demand rather than the implications of the issue for the business.

(d) Many candidates were able to identify at least one effect, with no delays and risk of wastage being common choices. These candidates then attempted to explain how this might affect a business. Only the most able candidates were able to link their answers to the scenario. Application in most responses was limited.

(e) There were a number of excellent answers to this question. Good knowledge of points was evident in most responses. Good responses made use of the fact that the current machines were inefficient and the machinery would be expensive. These candidates considered points both for and against buying new machinery, before reaching a justified conclusion. Many candidates provided long lists of points, which were not developed. Evaluation in many responses was simple or not attempted.

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BUSINESS STUDIES

Paper 0450/21
Case Study

Key messages

In this paper candidates are expected to apply their business knowledge and understanding to an unseen case study. There are five questions, each of which is separated into two distinct parts. The first part of the question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, whilst the second part of the question requires more developed answers containing judgement and evaluation. This was the last examination session where there are five questions to answer. Under the new syllabus there will be four questions to answer in one hour and thirty minutes.

- To do well in this paper, candidates must make clear references, or application, to the case study which is issued at the start of the examination. Specific marks are allocated throughout the mark scheme in both parts **(a)** and **(b)** for application. In this particular case study, candidates were expected to refer to a bank called PB Bank. This would include mention of bank accounts, branch managers, internet banking and other banking services.

- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description; listed points generally only gain level 1, whereas an explanation of a point could move the answer to level 2.

- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare the other alternative options and make reference to why they were rejected as well as justifying the option which was chosen.

General comments

Candidates' performance in this examination was generally pleasing and broadly in line with previous years. The context of a bank operating branches in different towns and cities provided an accessible scenario for most candidates. No question appeared to be too challenging for more than a handful of candidates. Time did not appear to be a problem.

The structure of the paper allowed candidates to demonstrate their knowledge of business concepts in part **(a)** of each question. They were then expected to offer analysis and reasoning in answer to part **(b)** of each question. This style of questioning has become standard practice on this particular paper and it is good to see that many candidates are developing a strong examination technique and clearly understand what is expected of them.

The layout of the examination paper provides side headings to prompt candidates in their responses. This seems to work well. As long as candidates take careful note of how many marks are awarded for each question, they should be quite clear about the extent of developed detail that is required for each answer. Many candidates were well prepared for the examination and showed good knowledge and understanding of the full range of topics which were tested. Candidates can earn significant marks by defining and using business terms confidently. Those who answered in the context of PB Bank boosted their marks further.

The standard of written English was excellent. Candidates made themselves fully understood and are to be congratulated on the high quality of spelling, punctuation and grammar offered in their responses. There is no penalty for the wrong spelling of words or using incorrect punctuation.

Here are some points that might be helpful in enabling candidates to achieve higher marks by using their knowledge in a more effective way.

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- Financial knowledge and understanding is part of the assessment in this subject and candidates should prepare for a question which will ask them to consider some financial data.

  For example, *Consider the advantages and disadvantages to PB Bank of taking over DOTT Bank. Recommend whether PB should take over DOTT Bank. Justify your answer by using appropriate calculations based on the data in Appendix 2.*

  There are three levels of response to this answer where candidates are expected to explain and analyse the financial data about both banks in the context of a proposed takeover. Within the IGCSE Business Studies specification there is an expectation that financial calculations such as current ratios and return on capital employed will be taught. There is a clear direction in the question to perform appropriate calculations using the financial data which had been given. Answers which simply offered a general overview, repeating or combining the data, would only be rewarded with level 1 credit. Good answers showed an ability to calculate both ROCE and current ratio of each bank. This earned level 2 credit. Such calculations would allow a direct comparison of the performances of PB Bank and DOTT Bank. In the final part of the answer, candidates are expected to evaluate the proposal for PB Bank to take over DOTT Bank. This tests the candidates' ability to synthesise and requires a clear justification as to whether the takeover is financially viable.

- In part **(a)** of each question there is a line for making a point and then a space below to explain or develop the reasoning. Candidates should think carefully about the context of the business in the case study before making their point and should ensure they do not repeat themselves in the explanation section.

  For example, *Identify and explain **two** possible effects on DOTT Bank **employees** if DOTT Bank was taken over by PB Bank.*

  Relatively easy marks will be given for demonstrating knowledge of two consequences for the workforce of a takeover. If the explanation restates the effect in a few more words then no extra marks will be awarded. One suitable effect to mention might be that workers' pay and conditions of work might change. A weak explanation might follow with a comment that this would mean different pay and a different environment. Instead, the explanation that follows should make clear that employees might have job enlargement with new banking procedures to follow. This might result in a higher rate of pay because the employees might be taking more responsibility when they work for PB Bank.

Comments on specific questions

Question 1

(a) The majority of candidates made a good start by correctly identifying two disadvantages to PB Bank of being a public limited company: not being able to control who buys the shares and making it difficult to communicate effectively in such a large organisation. Good responses then went on to develop the analysis of these points, mentioning the risk of takeover if more than fifty percent of the shares were bought by another business and the poor communication leading to low quality customer service and a bad reputation. Full marks were gained by candidates who made a clear link to the specific business of PB Bank.

(b) It was pleasing to see good knowledge of methods of communication from a good proportion of the candidates. The best level 2 responses were most often the ones explaining the benefits of each potential method in the context of the area and branch structure of the bank. Some particularly strong answers explained the need to use an electronic method such as emails to send information to each employee because the 15 000 employees were spread out geographically. Weaker candidates tended to rely too much on textbook knowledge of generic communication methods, such as one-way or two-way, rather than discussing a specific method of communication.

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Question 2

(a) This question was quite well answered by those candidates who appreciated that this was asking about other tertiary businesses that might sell their services to PB Bank. It allowed good candidates to identify and explain such services as advertising agencies, security companies and internet providers. Those candidates who misunderstood wrote about depositing cash and using credit cards. These are services provided by the bank, not for the bank.

(b) In this question, candidates were asked to consider a proposal to delayer the organisation. Most candidates were able to discuss the relative merits of keeping the deputy managers or shortening the chain of command. However, this was not always expanded by reference to the branch managers or the area managers. There was a perfect opportunity here for candidates to use the information provided in Appendix 1 showing job titles and the organisational structure. Answers which went on to make meaningful, supported judgements about the best decision then allowed candidates to gain level 3 credit.

Question 3

(a) In this answer it was important to focus on the presentation of data from primary market research. Many candidates found this challenging and a number of responses did not answer the question. A common mistake was to see the question 'Do you have a bank account?' and to offer an alternative way to rephrase it. Strong candidates presented bar charts and pie charts with good explanation and reasoning.

(b) The answers to this question tended to be quite limited. Most candidates repeated information included in the case material, using identical wording. Very few responses then went on to explain how this information would support or refute the case to close one of the branches. For example, branch X has no other banks nearby, so in the event of branch closure customers who were not prepared or able to use online banking may have no bank account access at all, which means the case for keeping branch X open is quite strong. This kind of response would have earned level 2 credit and would have been rewarded with an application mark too. In making a recommendation, candidates were expected to identify which branch would have least to lose by closing. Few answers considered this effectively.

Question 4

(a) The majority of candidates demonstrated good knowledge of market research methods and identified the biased time of the survey and possibility of lies being told by respondents as reasons for inaccurate data. Other responses referred to questions not being understood and the survey only being conducted in the city centre as reasons for poor quality data. Having made four valid points, it was possible to add another four marks to the total by developing the explanation in the section below.

(b) There were some strong responses to this question with candidates confidently displaying good knowledge about different strategies of promotion. Simple statements giving a definition of each promotional strategy scored level 1 credit but many answers gained level 2 marks by offering a balanced argument. For example, with regard to the advantages of sending leaflets to customers, there would be a benefit of using the existing database of customers to know where to send the leaflets but mailshots are often discarded without being read. This may not be the ideal marketing strategy. In recommending the most suitable strategy, some answers were given level 3 credit when they discussed the fact that the promotion was for existing rather than new customers and so the website had, arguably, the most potential for getting across the message about mobile (cell) phone banking.

Question 5

(a) The majority of candidates found this question quite accessible. The main impact of a bank takeover would be the threat to jobs amongst DOTT employees. Additionally, some answers went on to discuss the potential new job opportunities in the enlarged bank. With regard to the disadvantage of job losses, there was a tendency to point out the demotivating impact on remaining DOTT workers if some of their colleagues were made redundant. This demonstrated development within an answer and boosted the number of marks awarded.

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(b) It was disappointing to see a weakness in numeracy skills among a significant number of candidates. This question presented the opportunity to make good use of the financial information in Appendix 2 to calculate the current ratio and ROCE of each bank. Some of the answers tended to make quite simple points, almost copying the numbers from the table. This does not demonstrate business knowledge and understanding. Better responses compared the financial ratios and made meaningful comments on the proposed takeover in the light of the analysis. To earn higher levels of credit it was important to reach a justified conclusion about whether a takeover would have the most positive benefit for PB Bank.

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BUSINESS STUDIES

Paper 0450/22
Case Study

Key messages

The format of this paper is designed to test candidates' ability to understand an unseen case study and to apply their business knowledge and understanding in answering five questions, each of which is separated into two distinct parts. The first part of each question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, whilst the second part of each question requires more developed answers containing judgement and evaluation. This was the last examination session where there are five questions to answer. Under the new syllabus there will be four questions to answer in one hour and thirty minutes.

- To do well in this paper, candidates must make clear references to the case study which is issued at the start of the examination. Specific marks are allocated for application throughout the mark scheme in both parts **(a)** and **(b)**. In this particular case study, candidates were expected to refer to the context of a manufacturer of ovens which mainly sold to restaurants and hotels in other countries.

- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description; listed points generally only gain level 1, whereas an explanation of a point could move the answer to level 2 in part **(b)** questions.

- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare the other alternative options and make reference to why they were rejected as well as justifying the option which was chosen.

General comments

The question paper appeared to be accessible to candidates of all levels of ability, although a higher number of candidates than usual left some questions unanswered. The part **(a)** questions, all worth 8 marks, asked for either two or four responses and assessed knowledge, application and occasionally analysis. Part **(b)** questions were worth 12 marks and usually asked for a judgement; these questions tested not just knowledge and application but also analysis and evaluation.

The case material appeared to be well within the understanding of candidates and was based on a public limited company, ACE Engineering. The company specialises in selling ovens to restaurants and hotels in other countries. The company wants to improve the way it operates, such as by having more motivated employees to reduce labour turnover and to improve efficiency by using lean production methods. The general level of ability of candidates was good but a higher number than usual were very weak, scoring below 20 marks. Candidates who had a detailed subject-specific knowledge of business terminology scored particularly well on part **(a)** questions. Vague explanations without any clear definitions or use of business terminology often did not score any marks. Questions which proved more difficult than others were **Question 1(b)**, where the concept of lean production was less understood, and **Questions 5(a)(i)** and **(ii)**, where candidates gave very vague answers about the possible effects on businesses of the changes shown in the data. **Question 1(a)** and **Question 2(a)** caused problems for several candidates as they did not recognise that the answer needed to be from the point of view of the business and not the owners or employees.

Candidates should be advised not to just list points as this will only gain level 1 marks. The points should be explained in order to move into the level 2 mark band. Also, candidates need to apply their answer to the case material to gain application marks. Recommendations should not just repeat earlier points but the option chosen should be justified by giving comparative points as to why this option is better than the

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alternative options not chosen; candidates can then access level 3 marks. There were few examples of good candidates with high-scoring scripts where they had followed all of these points.

There are a number of considerations that might be helpful in enabling candidates to achieve higher marks by using the information they know in a better way.

- Analysis and evaluation are a key part of the assessment in this subject and candidates should prepare for a question which will ask them to consider some optional courses of action and then choose the best.

  For example, *Ace needs to communicate with a foreign supplier because there is a problem with the delivery of electrical components. Consider the advantages and disadvantages of* ***three*** *methods of communicating with the foreign supplier. Recommend which method should be used. Justify your answer.*

  There are three levels of answer to this question and with competent analytical and evaluative skills it should be possible to score highly. There is a clear direction in the question to explain the advantages and disadvantages of each method. Answers which contain simple statements such as 'email should be used as it is quicker' will earn level 1 credit.

  To earn level 2 credit the answer should explain that email is quick as it goes straight to the supplier and it does not need to be posted or taken to the supplier. An email can contain a lot of detailed information which is written down and so can be referred to by the supplier. However, there is no certainty that the supplier has opened the email and the message may be missed if the supplier receives a lot of emails each day. More level 2 credit would be gained by considering the advantages and disadvantages of the other two methods of communication.

  Then, in the recommendation section, the answer could earn level 3 credit if the three methods are weighed up against each other and the method which would be most beneficial to ACE for a speedy solution to the problem is chosen. This requires the candidate to reject the other two methods with justification for not choosing them as well as giving a convincing reason for selecting the remaining method. The final section should offer new reasoning and explanation rather than repeating previous analysis.

- In most questions on the paper there is an expectation that answers will be directly linked to the case study material. This means not merely offering generic business answers but ones which demonstrate that the candidate can apply their knowledge to a given scenario.

  For example, *Identify and explain* ***one*** *advantage and* ***one*** *disadvantage to ACE of all its employees being members of a trade union.*

  Marks will be gained for demonstrating knowledge of an advantage and a disadvantage of all employees being members of a trade union, such as it is easier to negotiate with employees but it is easier to organise industrial action against the business. Further development of why it is an advantage and a disadvantage to the business would boost the marks even more. However, some credit is reserved for using the information in the insert. ACE Engineering manufactures ovens and has 200 production workers, meaning it is easier to negotiate wage increases with the trade union rather than with all these workers individually. ACE wants to be efficient to remain competitive and therefore might find it harder to keep down wage costs if the trade union organises industrial action.

- Numeracy is a part of the assessment in this subject and candidates should prepare for a question which will ask them to consider some data. For example, **Question 4(b)** asked candidates to consider whether the directors of ACE should be pleased with the profitability of the company. Appendix 1 gave financial information so candidates could calculate the profitability of the company. Answers which copied data from the Appendix did not represent any skill of numeracy. Good answers showed the calculation of gross profit margin, net profit margin and ROCE. These calculations earned level 2 credit. This showed that the profitability of ACE in 2013 was 80% gross profit margin, 16% net profit margin and 33.33% ROCE. Analysis and judgement of these results could then move the mark upwards to level 3.

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Comments on specific questions

Question 1

(a) Many candidates were familiar with the advantages of a public limited company, with the most popular answers being limited liability and easier to raise capital from selling shares as they can be sold to the public and not just family and friends. However, a surprising number confused public and private sector businesses and thought the business was owned by the government. To gain full marks candidates needed to ensure they explained why the point made was an advantage to the business. There were few examples of application to the case material in answers.

(b) A significant number of candidates misunderstood JIT and thought that businesses 'wait for an order then produce it just in time'. Kaizen was often given but mis-explained. Kanban was sometimes given and explained quite well but then application marks were missed out as examples given were from other industries. Waste reduction was credited as an example of Kaizen but the explanation was usually too generalised, for example, 'helps to reduce waste and pollution', to be worth credit. Common errors for this question were simply seeing the words *production method* and jumping to writing about batch/flow production methods. Better candidates explained the advantages and disadvantages of each method of lean production and then gave justified recommendations comparing which one was the best one to use and why not the alternative option. Again, answers were not often applied to the case material.

Question 2

(a) This was a poorly answered question as many candidates did not actually answer the question asked. Many candidates did not realise that the question asked for the advantages and disadvantages **to the company** and not to the trade union members. Only better candidates appreciated the advantages of structured negotiations with one union and not hundreds of individuals. Strikes and disruption to production were often mentioned as a disadvantage, even by those candidates who approached the advantage from the viewpoint of the employee. Others identified higher wage costs and possibly lower profits as a disadvantage.

(b) The majority of candidates were aware of the management styles of democratic, autocratic or laissez-faire and their corresponding advantages and disadvantages, but the word, 'motivation' in the question seems to have encouraged some candidates to describe motivational theories instead. Better candidates developed their answers by discussing the advantages and disadvantages of two of these management styles and then made a recommendation, which included a comparison of the two styles, as to which was the better one to use for this business. The answer could have easily been applied to this business as labour turnover is high and therefore democratic management style might be more appropriate or the nature of the business is production work and therefore workers need to be told what to do and so autocratic management style might be better.

Question 3

(a) This question was answered well as most candidates could correctly identify two price strategies, with the most popular ones being competitive, cost-plus and penetration pricing. Some candidates did mix up the explanations and the weaker candidates did not develop their explanations beyond *price is set low* or *price is set high*.

(b) Most of the candidates successfully identified three suitable methods of communication with email, telephone, video-conferencing, letter and meetings being the main ones listed. However, there were a lot of vague assertions to support the method with disadvantages of poor internet connection, cell phone reception, open to hacking, fraud and deception often given. Good answers identified issues of feedback, being quickly answered, language barriers, can refer to hard evidence or time zone issues. Nearly all candidates did recognise this was about communication to another country in their answers. Many of the explanations did not really differentiate between the different methods and as such may have earned one level 2 credit but little further credit for the other methods. Advantages and disadvantages were sometimes vague, such as letters were seen as 'cheap', emails were 'sent to wrong address'. The recommendation needed to have made a selection of the best method to use and include justification as to why it was better than the two

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alternatives. The majority of answers were not applied to the case material so there were few examples of full marks being awarded.

Question 4

(a) This question was generally answered well, with even weaker candidates being able to identify different stakeholders, but a common error was to give both owner and shareholders as two different stakeholders. However, candidates could not always gain the additional marks for explaining why these stakeholders would be interested in the published accounts. A surprisingly high number of candidates did not correctly identify four stakeholders and some left this question blank.

(b) Despite some candidates having struggled to write good level 2 answers in other questions, a significant number answered this question well and were able to calculate gross profit margin and net profit margin correctly. ROCE was the one calculation that was missed out if not all three profitability ratios were calculated. The majority of candidates recognised things had got better and could suggest some reasons for it. Nevertheless, there were some candidates who had very little grasp of the question.

Question 5

(a) Although many candidates knew that the primary sector had fewer people employed in it, the implications of this upon businesses were poorly identified in most cases. Better answers did identify lower output of raw materials leading to shortages and possible cost increases. Similar to **(i)**, part **(ii)** often had weak responses as well. Better answers sought to explain that as incomes rose in the secondary sector, demand would increase for goods and services, or as more firms would be in the secondary sector, competition would increase.

(b) Many candidates were successful in linking the effects of these given changes to the fortunes of ACE. As unemployment rises people have less income to buy ovens so ACE's sales and profits fall. Similarly, subsidies caused more competition for ACE and therefore lower sales and profits. However, some candidates forgot that it was country X where the exports were destined. The currency depreciation posed the hardest challenge to answer but some candidates worked out a successful answer step by step, for example, ‘as the currency of country X has fallen in value the cost of imports will rise for country X's consumers, so they will buy fewer ovens’. What should have been straightforward application marks were not gained as many candidates wrote about ‘products’ rather than ovens.

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BUSINESS STUDIES

Paper 0450/23
Case Study

Key messages

The format of this paper is to test candidates' ability to understand an unseen case study and to apply their business knowledge and understanding in answering five questions, each of which is separated into two distinct parts. The first part of each question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, whilst the second part of each question requires more developed answers containing judgement and evaluation. This was the last examination session where there are five questions to answer. Under the new syllabus there will be four questions to answer in one hour and thirty minutes.

- To do well in this paper, candidates must make clear references to the case study which is issued at the start of the examination. Specific marks are allocated for application throughout the mark scheme in both parts **(a)** and **(b)**. In this particular case study, candidates were expected to refer to the context of a hotel which is part of a hotel chain.
- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description; listed points generally only gain level 1 whereas an explanation of a point could move the answer to level 2 in part **(b)** questions.
- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare the other alternative options and make reference to why they were rejected as well as justifying the option which was chosen.

General comments

There was generally a pleasing performance from the majority of candidates in this examination. Overall, there were a few weaker candidates but otherwise the standard was similar to that of previous years. The context of a hotel provided an accessible scenario for most candidates. No question appeared to be too challenging for more than a few candidates. A lack of knowledge rather than a lack of time prevented some candidates from completing their answers.

Many candidates were well prepared for the examination and showed good knowledge and understanding of the full range of topics which were tested. However, some candidates appeared to be less familiar with improving a cash flow problem and methods of primary research. Candidates can earn significant marks by defining and using business terms confidently. Those who answered in the context of Marrat Hotels boosted their marks further.

The standard of written English was excellent. Candidates made themselves fully understood and are to be congratulated on the high quality of spelling, punctuation and grammar offered in their responses. There is no penalty for the wrong spelling of words or using incorrect punctuation.

There are a number of considerations that might be helpful in enabling candidates to achieve higher marks by using the information they know in a better way.

- Analysis and evaluation are a key part of the assessment in this subject and candidates should prepare for a question which will ask them to consider some optional courses of action and then choose the best.

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For example, *Ben wants the hotel redecorated. Consider the advantages and disadvantages of the following* ***three*** *methods of financing the costs of redecoration. Recommend which would be the best method of finance to use. Justify your answer*.

There are three levels of answer to this question and with competent analytical and evaluative skills it should be possible to score highly. There is a clear direction in the question to explain the benefits and drawbacks of each method of finance. Answers which contain simple statements such as retained profit does not have to be paid back will earn level 1 credit.

To earn level 2 credit the answer should explain that this means that no interest needs to be paid and therefore this is a cheaper option. As there is no additional expense of interest payments, costs may be lower or profit possibly higher. However, there is the problem that there may not be sufficient funds available in retained profit for the redecoration and with a negative cash flow at certain times of the year it might not be wise to use up all the spare cash. More level 2 credit would be gained by considering the advantages and disadvantages of a bank loan and an overdraft as sources of finance for the redecoration.

Then, in the recommendation section, the answer could earn level 3 credit if the three alternative methods of finance are weighed up against each other and a decision justified as to which method to use. This requires the candidate to reject the other two methods with justification for not choosing them as well as giving a convincing reason for selecting the chosen method of finance. The final section should offer new reasoning and explanation rather than repeating previous analysis.

- In most questions there is an expectation that answers will be directly linked to the case study. This means not merely offering generic business answers but ones which demonstrate the candidate can apply their knowledge to a given scenario.

  For example, *Identify and explain* ***two*** *ways Ben could try to ensure that the hotel provides a quality service for all its customers.*

  Marks can be gained for demonstrating knowledge of suitable ways to ensure a quality service is maintained at the hotel, such as training employees to provide the standard of service expected for a good quality of service. Further development of why training can ensure employees carry out their jobs effectively, for example, maids carry out their jobs so that rooms are cleaned to a high standard and guests are happy with the cleanliness of their rooms, would boost the marks even more. Some credit is reserved for using the information in the case study, so the answer needs to consider some of the training which would be appropriate for hotel staff such as maids or receptionists or restaurant staff. Discussion of the type of training required for specific hotel jobs is an example of a suitable way to apply answers to the case study.

Comments on specific questions

Question 1

(a) Candidates found this question straightforward with the most popular answers being limited liability, raising capital and continuity. A good explanation of the advantage and disadvantage raised marks still further. However, a few candidates misunderstood the term private/public and this led to government-based content in these answers. There were few examples of well-applied answers.

(b) In this question candidates were asked to identify ways to improve a cash flow problem. Better candidates identified injections of cash, reducing wage costs and ways to increase the number of customers, especially in the quieter times of the year. They also explained the advantages and disadvantages of the three ways and hence gained level 2, with a few gaining level 3. There were some answers which muddled cash flow with profit or thought selling assets would be suitable for short-term raising of a lot of funds, or that raising prices will definitely add to cash inflows, or that it is quick and easy to obtain a large bank loan, all of which gained little or no credit. However, many candidates did note the seasonal issues but did not always recognise that some solutions at least in the short term would raise cash outflows, for example, advertising. Some good answers did address this and identified the short and long-term nature of their proposals as well as raising inflows through more sales or cutting outflows by reducing variable costs. Also, better candidates identified that the elasticity of demand affected whether it would be advisable to raise prices in the

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busy season. Application was most commonly awarded for referring to hotel rooms and guests and the tourist season being from November to May.

Question 2

(a) This was well answered by many candidates offering valid factors such as increased revenue in non-busy times (including restaurant sales) but that the costs of staff and equipment would increase. However, explanation for the advantage and disadvantage was not always present and hence this meant not all the available marks were achieved. There was some confusion by candidates over whether Ben would be charging for these rooms. Often the response did not identify that this was an action Ben was taking for the non-busy period, thus turning away guests was not likely to be a good response when offering disadvantages, unless it was clearly explained. There were few examples of well applied answers but those which were well applied focused on the tourist season being from November to May and the rooms needing to be equipped with projectors and other equipment required for a meeting.

(b) This should have been a straightforward question. Although candidates could name questionnaires, interviews or focus groups, it was disappointing that so many did not identify issues with questionnaires such as sample sizes. Generalised comments about asking questionnaires being quick and easy, being biased, respondents telling lies, etc. were often seen. Better answers identified reliability issues and the need to research the target market. However, there were only a few candidates that offered secondary techniques. Candidates did know the difference between the different methods of primary research but often had difficulty in identifying the strengths and weaknesses of these techniques. Only strong recommendations offered further detail to that found earlier in the answer and several gave a good justification of why one method was better than the other two, thereby gaining level 3. Only a few answers scored two application marks and this was usually by including reference to hotel rooms for business people and giving examples of the type of equipment which might be required.

Question 3

(a) This question had the common error of candidates not responding to the actual question asked. They thought the question was about the hotel rather than employees. Better candidates focused on job security, prestige, promotion and the chance to move or travel. Application marks were rarely awarded but where they were, it was for answering in the context of employees working at a hotel and the associated jobs they may do as well, or working abroad at one of the other hotels in the chain.

(b) This proved to be an accessible question even for weaker candidates. Good knowledge of the benefits of having well-trained employees working longer hours and issues of wage costs, employee stress/fatigue balanced the discussion. Some candidates let themselves down by giving weak recommendations when the rest of the answer had been well explained and were awarded level 2. Better candidates placed their answers in the context of the case and identified cash flows, seasonality and service quality issues. Weaker candidates focused on costs and training and did not identify the applied points such as the effects on the cash flow problem and customer service in the hotel.

Question 4

(a) In general this was a well-answered question with lots of ways offered but the link to quality service was not always well explained. Good answers identified how the idea proposed, for example, a better restaurant, would make for a better quality service. Often it was left to the reader to fill in the blank. For example, ‘a suggestion box would improve quality service’. True – but how will it do so?

(b) Candidates certainly had a good understanding of retained profit and bank loan but less so of overdraft. It was good to see very few candidates just listing advantages and disadvantages which would only gain level 1. Generally there was a sound understanding of the terms given by the question, but often answers were generalised, for example, ‘quick and easy to obtain a bank loan’. Some candidates believed that overdrafts carry no charge and can easily be obtained. Recommendations that compared the options in detail were only given by the best candidates; most candidates often just repeated the preceding points which would not gain additional credit. Very few candidates attempted to evaluate the three methods and so very few level 3 marks were achieved. Quite a few candidates gave both or all options in their conclusion rather than answering

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the question and making a choice between the three methods. Application marks were not often achieved by candidates.

Question 5

(a) This question proved straightforward for the majority of candidates but the main point was to state why it would work, for example, raise awareness, attract a new market segment, encourage people to bring children, lower price than competition. Some candidates confused cost and price and it is not usually enough to say 'reduce the price of rooms will mean more visitors' – why will it? 'Because this is a more attractive price than the competition and people like to pay less for the same quality.'

(b) Generally this question was less well answered. Several candidates noted that the tax on rooms and the rise in minimum wage would have little effect; this led to some very brief answers. Better answers identified the rise in fixed or variable cost which would cause profits to fall, and any attempt to raise prices could lose customers especially in the non-busy season. Although in the main season the effect may be less noticeable, overall costs are up and profits down. There were some good answers concerning strong currency leading to fewer visitors but lowers costs of importing food etc.

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BUSINESS STUDIES

Paper 0450/03
Coursework

Key messages

Candidates needed to:

- ensure the assignment title is a question which requires investigation
- ensure the question is an analytical question rather than a descriptive question
- use both primary and secondary research to gather information relevant to the question and then analyse this information
- end with a conclusion which answers the question posed in the title and which is based on the information gathered.

General comments

This is the last time that coursework will be submitted as part of the 0450 qualification.

The assignments included feasibility studies, motivation analysis or an analysis of the marketing mix used by a business.

Assessment criteria

Questionnaires were the most popular way of gathering primary research. Other sources of information included visits to businesses; interviews (with business people and the general public); the Internet and also information such as advertisements, maps and photographs. In addition, textbooks were used to provide an explanation of business concepts and terminology applied to research findings.

The majority of assignment titles were analytical and encouraged a wide range of research. Candidates posed themselves an analytical question (e.g. 'Is the marketing mix of ……successful?') which they answered in the conclusion, gaining high marks for Assessment Objective 4.

Candidates used IT to present their coursework and the majority of candidates presented their findings in a logical manner with a clear title, outline of the problem/question set, research findings with analysis of the data, and ended with a conclusion which answered the question posed in the title.

Application of the Assessment Criteria

The assessment criteria were accurately applied by most Centres. Where candidates scored lower marks it was usually due to the lack of detailed analysis of the data gathered or a justified conclusion based on the evidence gathered.

Assignment Titles

Candidates had a clearly stated question at the beginning of their assignment and these were questions that encouraged analysis and evaluation of the data collected.

The most popular topic was a feasibility study, sometimes phrased slightly differently by candidates but an example is as follows:

'Would it be profitable to set up a ……. in …….(my neighbourhood)?'

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Other titles were:

'What is the best motivation strategy that ….. should adopt in order to improve motivation?'
'How can the marketing mix of ……. be improved?'
'Is the marketing mix of …….. more successful than …….?'

All the administration procedures were adhered to and samples of coursework were sent by the deadline. All this made the moderation process go smoothly – Centres are to be thanked for their efficiency.

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