



Examiners' Report

June 2022

International GCSE Business 4BS1 02R

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk.

Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.



Giving you insight to inform next steps

ResultsPlus is Pearson's free online service giving instant and detailed analysis of your students' exam results.

- See students' scores for every exam question.
- Understand how your students' performance compares with class and national averages.
- Identify potential topics, skills and types of question where students may need to develop their learning further.

For more information on ResultsPlus, or to log in, visit www.edexcel.com/resultsplus. Your exams officer will be able to set up your ResultsPlus account in minutes via Edexcel Online.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk.

June 2022

Publications Code 4BS1_02R_2206_ER

All the material in this publication is copyright

© Pearson Education Ltd 2022

Introduction

Candidates appear to have found this paper accessible and were able to complete the paper in the allotted time. For the majority of the questions candidates were well prepared and were able to apply their knowledge, analyse and evaluate to answer the questions. However, as in previous series a number of candidates have struggled with the 'State' questions.

Many candidates had gained a great deal of business understanding from studying the course and this was apparent in the answers given. However, candidates need to ensure that they only include the knowledge of the topic on a question that required Assessment Objective 1 (AO1). The mark scheme includes the Assessment Objectives for each question to help in the preparation of future examinations. To reiterate, all four of the Assessment Objectives are covered throughout the paper and the breakdown of each AO can be seen on page 7 of the 'Getting Started for Teacher's Guide' and page 31 of the Specification. Examples of the command words used are detailed in the Specification. For example in question 2 (f) and 3(e) the command word is 'Justify' and the Assessment Objectives being tested are AO2 – Application, AO3 – Analysis and AO4 – Evaluation.

It is important that candidates take into account the marks allocated for each question, giving them guidance on the amount of detail they need to answer the question. As always it is worth reading the question through at least two times to ensure that they fully understand what is being asked, for example misunderstanding disadvantages for advantages is quite common.

Question 1 (b)

A define question where candidates have to give a definition of the term personal savings. This is a 'Knowledge' (Assessment Objective AO1) which is being tested. Candidates should be encouraged not to use the words they are defining and avoid wasting valuable time writing the question in the answer box.

It is worth practising these questions to allow candidates to understand the difference between a definition and an explanation of the term.

(b) Define the term **personal savings**.

(1)

A persons own finance which they have saved



ResultsPlus
Examiner Comments

A valid response showing an understanding of what the term means.

1 mark



ResultsPlus
Examiner Tip

Aim to be specific in your response – is the response a definition or an explanation?

(b) Define the term **personal savings**.

(1)

Money from the belongings of the business owner.



ResultsPlus
Examiner Comments

This response is not worthy of a mark. As the candidate has put business owner in the response it does not give a definition of being personal.

0 mark

Question 1 (c)

Another definition question, where candidates had to define the term sole trader. This question was well answered by the majority of candidates showing a clear understanding of what a sole trader is.

(c) Define the term **sole trader**.

(1)

business where there's only one
owner



A clear definition is given that there is only one owner. The candidate has clearly understood what the term means and has also avoided using the phrase in their response.

1 mark

(c) Define the term **sole trader**.

(1)

Entrepreneurial form of ownership where the business is ~~owned by one owner~~ owned
by one person and has unlimited liability



A slightly different response but gives a clear definition of a sole trader and that they have unlimited liability.

1 mark

Question 1 (d)

This is the first of the 'State' questions, where candidates must relate their response to the business by giving one reason why Cadbury might pay its UK employees above the minimum wage. As in previous series many candidates will give a correct answer, however it will not be in context of Cadbury and therefore will not gain the marks available. Just putting Cadbury in the response does not mean it is in context as Cadbury is in the question.

(d) State **one** reason why Cadbury might pay its UK employees above the minimum wage.

(1)

To retain its employees. In this case, Cadbury would want to retain its employees so they don't switch to competitors like Lindt or Royce.



This response is in context by commenting on Cadbury not wanting its employees to switch to competitors like Lindt.

1 mark

(d) State **one** reason why Cadbury might pay its UK employees above the minimum wage.

(1)

This is to improve brand image and reputation in the market, as it has lots of competition, it needs good image and reputation to attract workers to work for them and to attract customers to buy from them.



ResultsPlus
Examiner Comments

This response has made very valid comments about there is lots of competition and Cadbury wants to maintain its reputation. However, there is nothing that is related back to Cadbury and its workers.

0 mark



ResultsPlus
Examiner Tip

Try and avoid using the name of the scenario but include something that is related to the business. In this example perhaps including chocolate cake designers would put the response in context.

Question 1 (e)

The first of the calculation questions. In this question candidates should be encouraged to show their workings, as they could gain a mark for the working, even if the actual answer written in the box is incorrect. Candidates should also be encouraged to ensure that they write their answer on the dotted lines at the bottom of the box so that the examiners are clear as to what their answer is. Again it is also worth reiterating to candidates that they should take care to ensure that their figures are easily recognisable, to avoid any confusion by the examiner.

A number of candidates did not include the second decimal place in their response and therefore only gained the 1 mark available. Candidates should follow the format given in the question, if there are two decimal places then the answer should be two decimal points.

This question was well answered by candidates with the majority gaining the two marks available.

Cadbury makes a chocolate cake for £6.50. A tax of 20% is added to give the selling price.

(e) Calculate the selling price of the chocolate cake. You are advised to show your working.

(2)

$$\begin{aligned} &6.5 \times (1 + 20\%) \\ &= 6.5 \times 1.2 \\ &= \text{£}7.8 \end{aligned}$$

£ 7.8



This particular response only gained one mark as the working out is correct but the answer was missing the second decimal place.

1 mark



Check the question carefully to see if one or two decimal places are required in the answer.

Cadbury makes a chocolate cake for £6.50. A tax of 20% is added to give the selling price.

(e) Calculate the selling price of the chocolate cake. You are advised to show your working.

(2)

$$£6.50 \times 1.2 = £7.80$$

£ 7.80



ResultsPlus
Examiner Comments

A clear response and easy to read.

2 marks

Question 1 (f)

This question is the first of the 'Explain' questions. The question requires candidates to 'Explain **one** advantage...' Many candidates misread advantage for disadvantage and gave detailed account if the banks reduced the interest rates to customers and not businesses. Candidates must state the one advantage and then develop their answers to gain the full 3 marks available. Most of candidates were able to give an advantage but very few gained the full marks available for the question. Candidates are reminded that the question asked for one advantage not several advantages.

When practising these questions please ensure that the candidates have clearly read the question before they answer. Thus ensuring they are answering what is asked.

(f) Explain **one** advantage for businesses if banks reduce their interest rates.

(3)

If banks reduce their interest rates, business' will not be ~~be~~ giving as much money to the bank as they once did, This leads to the business saving money and instead of putting the money into the bank it can be used to help further improve their business therefore they may have more chance of survival.



The response includes the one advantage they they are not going to be paying the bank as much. The development is leading to them saving money, which could further improve their business.

3 marks

(f) Explain **one** advantage for businesses if banks reduce their interest rates.

(3)

~~They will have more~~

They can pay their debts easier, as interest rates being decreased means they will have to pay less to borrow, which improves ~~the liquidity of the business~~ cashflow of the business



ResultsPlus
Examiner Comments

This particular response gained 2 marks, the comment with reference to paying less to borrow this is then developed which improves the cash flow of the business. The comment about paying their debts easier is not developed.

2 marks



ResultsPlus
Examiner Tip

To avoid wasting time do not repeat the question in the first sentence.

Question 1 (g)

'Analyse' questions are testing two of the Assessment Objectives, or AO's. Namely AO2 which is 'Application' and AO3 which is 'Analysis'. Thus, to be successful, candidates need to demonstrate both of these skills within their answer.

This is the first question in the paper which is marked by Levels. Candidates were asked to 'Analyse' two factors that could influence Cadbury when locating a new factory. To gain the marks available candidates need to apply the information and then analyse. Unfortunately, many candidates tend to describe one factor of locating a new factory, which is not answering the question. Most candidates gained a Level 2 mark.

Examiners will look at the response 'holistically', considering: have they applied their knowledge to the scenario and have they analysed the information, they will then make a decision as to where the response 'best fits' into the Levels.

Candidates must be aware that there are no marks available for knowledge, and that the response must be in context of Cadbury.

(g) Analyse **two** factors that could influence Cadbury when locating a new factory.

(6)

A factor in opening a new factory is to locate it near its natural resources of the product the firm is producing, this causes less time to ~~produce~~ produce the product with the firm Cadbury being really successful money limitations isn't an issue to opening new factories, since Cadbury is a chocolate producing firm they should locate their factories in countries where cocoa seeds are highly common there.

Another factor is locating factories far from local cities this is because it can tend to annoy the ~~local~~ population of the city and can lead to bad look for the company and as a result of less customers.



This response shows a clear understanding of Cadbury locating near to where its natural resources are and it is applied by mentioning cocoa seeds. This is then developed with the comment about less time to produce. The second reason of locating away from cities as it will annoy the population is also a valid reason. However, the response did not gain full marks because it lacked the logical chains of reasoning. Perhaps the candidate could have linked the two factors together, by moving near to supplies might be difficult to get employees to work at the factory, or locating near to a city provides workers who have the skills.

Level 3 – 5 marks

(g) Analyse **two** factors that could influence Cadbury when locating a new factory.

(6)

Proximity to employees. This is because the factory being close to employees would reduce Cadbury's costs that would be used for transport. This leads to them being able to save time that would be used in the journey, therefore, Cadbury would increase their efficiency.

Proximity to suppliers. This is because it will be more convenient for suppliers and Cadbury. If they were located near each other. This leads to quicker delivery time. Therefore, having fresh ingredients.



A well answered response, clearly identifying the two factors of location and giving justifiable reasons.

Level 3 – 6 marks

Question 2 (a)

Another 'State' question where candidates were asked to state one item of information that an applicant would include in their Curriculum Vitae (CV). 'State' questions are AO2 (Application) hence there must be some evidence of application or context within the response. Again, as mentioned previously candidates were able to give one item of information that would be included in a CV but did not relate it to Cadbury and therefore did not gain the mark.

It is well worth practising these types of questions to ensure that candidates fully understand what is required.

(a) State **one** item of information that an applicant might include in their Curriculum Vitae (CV) when applying for a position with *Cadbury*.

(1)

They would be well trained and fit for a specific
for a job with years of experience.



The comment about being well trained and fit for a specific job would be relevant if they had related to Cadbury, such as a Chocolate Production Line Manager. Or managing employees who work on a chocolate production line.

0 mark

(a) State **one** item of information that an applicant might include in their Curriculum Vitae (CV) when applying for a position with *Cadbury*.

(1)

working experience about manufacturing chocolate.



ResultsPlus
Examiner Comments

Although limited in the response it does relate it to Cadbury, so worthy of a mark.

1 mark

Question 2 (b)

Another 'State' question where candidates were asked to state one item of information that may appear in a job description for a Cadbury Production Line Supervisor. As mention 'State' question are AO2 (Application) hence there must be some evidence of application or context within the response. Many candidates gave very valid responses but they were not in the context of Cadbury and therefore did not gain the mark.

(b) State **one** item of information that may appear in a job description for a *Cadbury* Production Line Supervisor.

(1)

part of the job may be to ensure the quality of the chocolate packaging.



This response gained the mark available by referring to the quality of chocolate packing.

1 mark

(b) State **one** item of information that may appear in a job description for a *Cadbury* Production Line Supervisor.

(1)

Required Qualifications or recommended qualifications
(eg: degree in management or business)



This response is not in the context of Cadbury and therefore is not worthy of a mark.

0 mark

Question 2 (c)

An 'Explain' question which does **not** have to be in context of Cadbury. The Assessment Objective being tested is AO1 (Knowledge). Candidates were asked to give one method and one method only, how a business could motivate its employees. This was a straightforward question and quite a number of candidates were able to gain the marks available. However, for those candidates that did not get the full allocation of marks this might be because they gave more than one method. Again care should be taken to ensure that the question is thoroughly understood and it is advisable to read it through at least twice before attempting to answer.

(c) Explain **one** method a business could use to motivate its employees.

(3)

A business could use job rotation to motivate its employees. Job rotation will provide a change in the workplace of its employees, as a result it could motivate them.



ResultsPlus
Examiner Comments

The method of job rotation is valid and worthy of a mark, with a justifiable reason of giving employees a change in the workplace. However, the response was not further developed to gain the extra mark available.

2 marks

(c) Explain **one** method a business could use to motivate its employees.

A business could use ^{Job enrichment to} ~~non financial methods~~ ⁽³⁾ motivate employees. ~~large business~~. This means that the employee's ~~the~~ job will be more challenging. This leads to the employees feeling trusted and valuable to the business as a large amount of work needed for the business is from them. As a result the employee will feel wanted and also the business would be increasing its productivity.



ResultsPlus
Examiner Comments

This response gives a method of Job Enrichment, followed by development of employees being more challenged, together with employees feeling trusted and valued.

3 marks

Question 2 (d)

Another 'Explain' question which requires knowledge and does not need to be in context. The question asked for one reason why a business has fully trained employees. Most candidates understood the reason why a business would have fully trained staff but then did not develop their answers to gain the full marks available.

(d) Explain **one** reason why a business has fully trained employees.

(3)

To avoid ~~great~~ mistakes and maintain quality, this means that if all employees are trained to a standard across the business this avoids mistakes, as a result maintaining quality, leading to more satisfied customers, therefore ~~is~~ building a qualified workforce.



This response gained the full marks available. The response avoided repeating the question in the answer which is helpful. The reasons for fully trained staff are to avoid mistakes, maintaining quality which leads to more satisfied customers.

3 marks

(d) Explain **one** reason why a business has fully trained employees.

(3)

To decrease safety risks / hazards. This is because if employees are trained they're less likely to make less mistakes and be more safe and have safe working conditions. Since they know how to do their job well. This may lead to none of the employees suing the business for unsafe working conditions meaning they'll reduce their legal costs.



ResultsPlus
Examiner Comments

The response refers to decreased safety risks and hazards as the reason for being fully trained. This is then further developed by mistakes are less likely and employees will be safe.

3 marks



ResultsPlus
Examiner Tip

Try to avoid repeating the question in your response, it wastes valuable time and is not needed.

Question 2 (e)

This question was not as well answered as anticipated, many candidates understood why manufacturing businesses use Kaizen in their factories but then did not include the reasons why. As with previous questions it is an 'Explain' question which requires knowledge and does not have to be in context. Most responses included the comment about reducing waste, which is relevant but then did not develop the comment further, perhaps including involving employees more to give their opinion as they know how the machinery works.

(e) Explain **one** reason why many manufacturing businesses use Kaizen in their factories.

(3)

To increase employee loyalty, this is because Kaizen is a Japanese term used to mean "continuous development", this leads to employees feeling more valued as their opinions and suggestions are used to create improvements in the firm, therefore more productive employees.



A well developed response referring to employees becoming more loyal which is a valid reason and this is then developed by employees opinions being valued to increase productivity.

3 marks

(e) Explain **one** reason why many manufacturing businesses use Kaizen in their factories.

(3)

To improve their product. This means that employees are given the chance to decide on how to improve the product since they are the ones making them. As a result businesses can continuously improve if they use kaizen in their factories.



ResultsPlus
Examiner Comments

Another well developed response indicating that employees are involved in the decision on how to improve the manufacture of the products.

3 marks

Question 2 (f)

The first question where candidates have to choose between the two methods of working. Most candidates understood that they had to justify why they had chosen one option as opposed to the other. Candidates should be careful to avoid giving detailed knowledge of the two options available as there are no knowledge marks for this question.

The 'Justify' questions are marked in the same way as the 'Analyse' questions which is Levels, but candidates now have to include 'Evaluative' (Assessment Objective 4) comments. Candidates do not have to consider both options in their response. Candidates can achieve the full marks only considering the one option.

There were a number of candidates who did not achieve any marks on this question, as some gave very detailed knowledge of the two methods of working which was not asked for. There were also a number of candidates who confused the two methods of working which also meant that they did not gain the marks available.

Job share is when 2 workers take the salary of one worker by sharing the job. This encourages teamwork, which is effective as it provides two employees the flexibility of choosing when to do their job. Skilled employees in Cadbury could decide the working time between themselves which would encourage them to come to the factory more motivated, and being productive and producing better sweets and chocolates, giving ~~more~~ higher sales. However, they are likely to be less motivated compared to ~~people~~ employees with a full time job.

Job share reduces the burden over employees, as they could decide among themselves which time is suitable. This ensures a less stressful environment and provides the Cadbury employees with more flexibility and a more positive feeling. This would produce a good workforce environment, giving Cadbury with a higher reputation for a positive workforce. However, the salary has to be shared, which may not be enough for their daily needs.

As skilled employees in the long term would motivate them and would ensure they stay at Cadbury due to the reduced burden and more flexibility, ensuring they also produce better chocolates and sweets, leading to higher revenues.



The first response has a clear understanding of what job share is and how it works, encouraging staff to work together which motivates them to work harder. The response is mainly for the option chosen. There are comments with regard to how job sharing affects the employee, it is less stressful and that they have the flexibility of working. The evaluative comments about staying at Cadbury is relevant as it reduces the burden on themselves. Perhaps if the response had included more evaluative comments with regard to Cadbury and more logical chains of reasoning it could have moved into the top of Level 3.

Level 3 – 7 marks

Working part-time will benefit employees and the business as employee has lesser working hours and business spends lesser on employee (due to working hours) so for Cadbury, in turn, can spend more on part-time workers (large work-force, small pay) for Cadbury can have an improved cash flow which allows them to retain employees at a cheaper price.

The use of shorter work-hours can allow employees to grow comfortable with working schedule while Cadbury maintains their skilled workers. (More motivation, more productivity.)

However, Cadbury has to hire more ~~part-time~~ workers to fill in the gaps caused by the part-time working hours, or result in keeping themselves open for shorter intervals which could end up as a loss as retailers would not have a proper supply 24/7.



This response chose Option 1 – part-time work and gave reasons as to why working part-time would be beneficial, the shorter hours, etc but the negative side for Cadbury that they will have to employ more employees to ensure that the work is covered.

The response showed sound application of knowledge, found interconnected points with chains of reasoning and some judgement was made. Gaining the top of Level 2.

Level 2 – 6 marks

Question 3 (a)

Another 'Define' question where candidates were asked to define the term 'public relations'. This was not as well answered as expected. Many candidates did not understand fully what the term actually meant. A number of candidates used the actual words in their definition which does not always help

(a) Define the term **public relations**.

(1)

The attempt to communicate with interested parties.



The comment about trying to communicate with interested parties is not relevant and therefore not worthy of a mark.

0 mark

(a) Define the term **public relations**.

(1)

public relations mean the business has a good relation with the community they are located in



Although the response includes relation, it is developed with reference to the business having a good relation with the community they are located in.

1 mark

Question 3 (b)

An 'Outline' question which is similar to a 'State' question where candidates have to put their response in the context of the business. 'Outline' questions are AO2 (Application) questions. To score the two marks available there must be a development in the response as well as it being applied to the scenario of Cadbury. In most cases candidates will give a correct response but it will not be in context.

This question was not well answered by the cohort with the majority of candidates not gaining the full two marks available. Again 'State or Outline' question must be in the context of the scenario, which in this instance is Cadbury, and just using the word does not put the response in context.

(b) Outline **one** reason why *Cadbury* interviews shortlisted candidates for vacancies in its functional areas.

(2)

Cadbury shortlisted candidates so they can focus on potential employees with skills that fits their functional areas best and save, including communication skills and other things that can be learnt from interviews. If candidates are good at communication, they might fit to market chocolates to be sold compared to candidates worse at it.



The response clearly identifies one reason for interviewing candidates, which is their communication skills, and this is then developed to include the context of being able to market chocolates.

2 marks

Question 3 (c)

Candidates should be encouraged to show their workings on all calculation questions, as they could gain a mark for the working, even if the actual answer written in the box is incorrect. Candidates should also be encouraged to ensure that they write their answer on the dotted lines at the bottom of the box so that the examiners are clear as to what their answer is. Again it is also worth reiterating to candidates that they should take care to ensure that their figures are easily recognisable, to avoid any confusion by the examiner.

Cadbury donated £7 617 600 to its charity fund in 2017. In 2018 this donation was 1.2% lower.

(c) Calculate the donation *Cadbury* made in 2018. You are advised to show your working.

(2)

$$7617600 \times (1 - 0.012) = 7526188.80$$

£7526188.80



Well answered and clearly showing the workings out to gain the marks available.

2 marks

(c) Calculate the donation Cadbury made in 2018. You are advised to show your working.

(2)

$$7617600 \times 0.2 = \cancel{9141120} 1523520$$

$$\cancel{7617600} - \cancel{9141120}$$

$$761700 - 1523520 = 609408$$

£ 609408



ResultsPlus
Examiner Comments

This particular response did not gain any marks. The answer was incorrect and the working out of the calculation did not work.

0 mark

Question 3 (d)

'Analyse' questions are testing two of the Assessment Objectives, or AO's. Namely AO2 which is 'Application' and AO3 which is 'Analysis'. Thus, to be successful, candidates need to demonstrate both of these skills within their answer.

Candidates were asked to 'Analyse' why some governments have introduced legislation to reduce the amount of sugar in chocolate. To gain the marks available candidates needed to apply the information and then analyse. Most candidates understood the benefits of reducing sugar in chocolate but as in other 'Analyse' questions did not relate it back to Cadbury. Most candidates gained a Level 2 mark.

Examiners will look at the response 'holistically', have they applied their knowledge to the scenario and have they analysed the information, they will then make a decision as to where the response 'best fits' into the Levels.

Candidates must be aware that there are no marks available for knowledge, and that the response must be in context of Cadbury.

(d) Analyse why some governments have introduced legislation to reduce the amount of sugar in chocolate.

(6)

Products of ~~des~~ sweets ~~it~~ such as candy, chocolate and gummy involve lots of sugar. For example, the Cadbury factory also use a large amount of sugar making the buttons and chocolate. There will be external effect that affect the third party.

Affect the health

The large amount of sugar in chocolate affect the health of children who is addicted on eating chocolate, children is likely to ~~be~~ ^{get} ill. and Also, it affect the health of ^{all} people that eat chocolate, their productivity would be lowered if they get sick because of consuming too much sugar and it is likely that they would take day off and absence, affect the outputs of business.

More Increase government expenditure

People that are sick because of eating too much sugar also mean that it add up medical burden. Government may need to spend extra government revenue to provide medical services for them and opportunity cost take place where other public services can not be funded and invested.



This response clearly gives two reasons why a government would want to reduce the sugar content in chocolate, one being the health of its population, especially children and then the consequences of too much sugar on the health system of treating people. Side headings are not required.

Level 3 – 6 marks

(d) Analyse why some governments have introduced legislation to reduce the amount of sugar in chocolate.

(6)

Sugar is unhealthy for the human body so they do not want the population to be unhealthy as it could reduce the country's life expectancy rates. ~~The~~ reducing sugar could increase life expectancy rates so the reputation of the country would improve. They would also save the amount of sugar that the country has and save it for producing other products and increase the amount of products available in the country to attract tourists, and increase tourism making the country more known and improving its reputation.



This particular response is limited in its Application and Analysis. Reference is made to the health of people and the consequences but then is not developed further to gain the higher level mark. Sound application of knowledge moves the response into Level 2 but at the bottom.

Level 2 – 3 marks

Question 3 (e)

The second option question where candidates have to 'Justify' which one of the two options would be more suitable for Cadbury. As in question 2 many candidates described both methods of production. As mentioned, there are no knowledge marks available for this type of question. Again, from the responses seen a number of candidates confused the two methods of production, which was a great pity. Candidates should be encouraged to 'Apply, Analyse and Evaluate' either one or two of the options, to enable them to gain the higher level marks. Most candidates gained a level 2 mark, with only a small percentage gaining a level 3 mark. It may help some candidates to gain the higher level if they actually gave evaluative comments as to the chosen option and why it would be more suitable.

(e) Justify which **one** of these two options Cadbury should choose.

(9)

Cadbury can use flow production for the production of Dinky Deckers. Because it's capital intensive production so more machinery will be used instead of employees to produce Dinky Deckers in one of the many factories. Solving their cashflow problem that can be used to advertise the new product Dinky Deckers.

It will be cheaper since the level of output is higher than costs, causing the business to have more inflow and leading to ~~advertising~~ expansion of the business and higher sales

however, if ~~the~~ the machine malfunctions and causes an error in the production, the cost of the mistake would lead to a huge amount of money being wasted, leading waste of materials and sources, causing a problem for the business

This is a short term source of production since it's just for testing ~~and having critiques~~ and checking if there are any anomalous results. But it could also be a long term source of production if the reviews are positive.



This response is considering flow production and the benefits of using this method. There is sound application of knowledge of the benefits of using flow production, and there are some interconnected points, such as being cheaper because of the output being higher than the costs. Another point is mentioned about the machine malfunctioning which could cause problems. To have gained a Level 3 mark the response could have included the conclusion the cost of setting up flow production and the issues relevant to the choice made.

Level 2 – 6 marks

Cadbury should use batch production as it will not only cost less but will have an enough amount of product available to sale.

more over, if any issue has been detected in the first batch than they can easily fix the ~~mistk~~ mistake before launching the second batch.

Cadbury is a large company with several loyal customers from years and years and to maintain their record from 1842 cadbury needs to make sure each one of their loyal customers have recieved the product.

Since it's a large business the need alot of production at once and batch production provides that, a bulk of products being released. and on the day cadbury goes public they won't need to worry about Dinky Deckers being less in stock.

By this cadbury saves their cash out flow.

and keep it under control and their profits increase along with their total revenue. and less money has been used in expenses, saving more than before. and keeping the loyal customers happy with them and the product being received in good hands. Production rate goes up. Savings will increase too.



ResultsPlus
Examiner Comments

This response is very limited with regard to batch production. Reference to setting up the production line is relevant and that any issues can be rectified. However, the third paragraph is a repeat of the information from the stem which is not required and not relevant to the question. The fourth paragraph then confuses batch and flow production.

Level 1 – 3 marks

Question 4 (a)

The final calculation question and in this question candidates had to calculate to two decimal places the gross profit margin. Candidates as mentioned previously, should be encouraged to show their workings on all calculation questions, as they could gain a mark for the working, even if the actual answer written in the box is incorrect. Candidates should also be encouraged to ensure that they write their answer on the dotted lines at the bottom of the box so that the examiners are clear as to what their answer is. Again it is also worth reiterating to candidates that they should take care to ensure that their figures are easily recognisable, to avoid any confusion by the examiner.

A number of candidates did not include the second decimal place in their response and therefore only gained the 1 mark available. Candidates should follow the format given in the question, if there are two decimal places then the answer should be two decimal places.

4 *Cadbury* is part of the multinational *Mondelez* business. In 2017 *Mondelez* had a gross profit of \$10.3 million and a revenue of \$25.9 million.

(a) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

$$\frac{10.3}{25.9} \times 100 = 39.77\%$$

39.77 %



An example where the candidate has shown the working out and also put the correct answer on the dotted lines.

2 marks

- 4 Cadbury is part of the multinational *Mondelez* business. In 2017 *Mondelez* had a gross profit of \$10.3 million and a revenue of \$25.9 million.
- (a) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

$$\frac{\text{Gross profit}}{\text{revenue}} \times 100$$
$$\frac{10.3}{25.9} = 0.397 \times 100 = 39.7$$

..... 39.7 %



An example here where the response only has one decimal place. The question clearly asks for two. The mark is awarded for the working out of the calculation.

1 mark

Question 4 (b)

Most candidates were able to gain some marks on this question with over half of the cohort gaining a Level 2 mark. As previously mentioned, and in the 'Getting Started Booklet' page 32 an 'Analyse' question is looking for application and analysis of why Cadbury may have needed to take out an overdraft. Giving a clear understanding of the purpose of an overdraft. Reminder - 'Analyse' questions are looking for 'Application and Analysis' with no knowledge.

- short terms
- emergency
- supply

When Cadbury was founded in 1842, there may have been times when it needed an overdraft.

(b) Analyse why Cadbury may have needed to take out an overdraft.

(6)

Cadbury could have been having an emergency such as a machine breakdown and Cadbury didn't have enough money back ^{in 1842} ~~then~~ when it wasn't an extremely huge MNC and had to borrow from the banks to take care of this short-term problem since overdrafts ~~is~~^{is a} short-term finance source.

Cadbury could have been out of supplies ^{or raw materials} to make ~~the~~ drinking chocolate and sell cocoa so to ~~the~~ quickly keep up with demand Cadbury took out an overdraft to ~~the~~ purchase the raw materials and/or supplies needed to make and sell drinking chocolate.



The response includes very valid points with regard to why Cadbury may want an overdraft, however the points were not developed or analysed sufficiently to move it up to the next Level. Perhaps a comment on how an overdraft would have helped when the machines broke down would have helped. Also more detail with regard to the lack of supplies and how the production would have been affected, but with an overdraft this might have helped to alleviate some of the issues.

Level 2 – 3 marks

Question 4 (c)

This question is marked in exactly the same way as the 'Analyse' and 'Justify' questions. Although it is worth pointing out to candidates that this question does carry the most marks and they should allow sufficient time to answer it with all four of the Assessment Objectives being covered. AO1 – knowledge, AO2 – Application, AO3 – Analysis and AO4 – Evaluation. A number of candidates only completed a few lines and therefore this limits them on the marks they are able to gain. Some candidates are using bullet points or numbered format, this will also not allow them to gain the higher levels marks as they may not have 'Analysed or Evaluated' the points made. Candidates were asked to evaluate the importance of marketing for Cadbury when introducing a new product. A variety of valid comments were made by candidates, such as promotion and advertising. However, they then failed to develop these points and justify their decisions to gain the higher level marks.

- (c) Evaluate the importance of marketing for Cadbury when introducing a new product. You should use the information provided as well as your own knowledge of business.

(12)

Marketing is when a business advertises its product to others in hopes of attracting new customers.

Marketing is important for Cadbury when introducing a new product as it helps get the word out to the public of Cadbury's new product which may attract new ~~costs~~ consumers, resulting in an increase in brand recognition.

Another reason why marketing is important for Cadbury is because without marketing, even Cadbury's current consumers may be unaware of Cadbury's new product which would lead to a decrease in demand, resulting in a decrease in job motivation.



The response shows mostly accurate knowledge and understanding of business concepts of marketing with limited application to Cadbury.

Hence a Level 2 mark.

Level 2 – 5 marks

(c) Evaluate the importance of marketing for Cadbury when introducing a new product. You should use the information provided as well as your own knowledge of business.

(12)

Marketing is a method used by businesses to inform and communicate customers about their products. This is important for Cadbury since it allows them to foster relations with their customers. As a result, it may be easier for Cadbury to understand what they may need to improve on, such as working on a new type of biscuit. These improvements may allow Cadbury to make informed decisions and strategies such as selling different chocolates to different groups of customers. However, Cadbury also need to measure the impact on customers. ~~since~~ This is since they may not be able to understand the various preferences if they advertise massively over the media. This may impact their sales in the long run.

~~Another reason marketing is important is s.~~

Marketing may not be as important if Cadbury have an established brand. As a result, Cadbury may minimise costs since branding would allow them to be differentiated whether it may be the quality or type of chocolates. This may lead to effective cost management. However, ~~adver~~ marketing may allow Cadbury to view how they may be different thus giving them many

perspectives in the long run.

Marketing is important as it allows to satisfy needs and wants of customers. As a result, there may be higher levels of satisfaction and temptation to buy Cadbury's products. This may help raise their profits. However, marketing may only have a small impact thus they may be unable to improve ~~so~~



ResultsPlus
Examiner Comments

A very detailed response showing clearly that the candidate understands the importance of marketing and the effect it can have on Cadbury and the considerations it would have to take into account. There is a judgement about satisfying the needs and wants of customers, there is sound application of knowledge and a judgement is made.

Level 2 – 8 marks (although there was discussion amongst the examiners that this could have been a Level 3 – 9 mark response)

Paper Summary

The scenario of Cadbury seemed to interest candidates as it was a business that they may have been aware of.

Candidates are offered the following advice:

- Avoid repeating the question in the first line of their response – it takes up space and also wastes valuable time.
- Ensure that when completing the calculation questions all working out is included in the space provided.
- Ensure that the 'State' and 'Outline' questions include information from the scenario not just the repeating the information in the question.
- Aim to develop answers using linking words, such as 'thus', 'therefore', 'because' to expand the comments made in the response.
- The two 'Justify' questions do not require consideration of both options, but evaluative comments on both options is acceptable.
- Remember that all questions are marked to the Assessment Objectives (AO's) that each question is designed to test. Therefore including detailed knowledge in an application question will not gain the full marks available.

Grade boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

