

# Examiners' Report January 2008

GCSE

GCSE Applied Business(5308/01)

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January 2008

Publications Code UG019734

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## Contents

1.	5308 Examiner Report	4
2.	Grade Boundaries	9

## General comments

This is the ninth paper, and the fifth January paper, for Unit 3 Business Finance. This paper was based on an entertainments agency. Businesses and/or contexts are selected with candidates' experiences in mind and, even though candidates will probably not have much experience of agencies, the Scenario with its music/band focus proved accessible. It once again contained text and an image, and the text length was similar to that of past series. Previous reports have confirmed that the purpose of the Scenario is to help candidates appreciate the context within which they are applying their answers. Future papers will therefore give brief text-based information and use diagrams and other images in order to help 'paint a picture' for candidates. Centres realise that candidates are not expected to memorise Scenario information, because of its introductory purpose: key information will be provided in question stems. However, the advice remains to ensure that candidates re-visit this Scenario several times during the examination, to re-familiarise themselves with it.

The paper again contained questions from all Specification areas, and this practice will continue. There were ten questions - the number is typically nine or ten - and the demands made on candidates were similar to those made in all past papers. The published mark scheme contains information concerning the specific mark allocation to topic areas - target mark bands are also given - and shows the marks awarded against each of the Assessment Objectives.

The paper was designed to assess candidates across the full GCSE ability range, and achieved this. Past Reports have identified three influences on the paper: the 'incline of difficulty' approach, where the closing questions tend to be more difficult than earlier ones; the 'saw-tooth' approach whereby the first part of a question is usually easier than the final part of the previous one; and the need for the paper to reflect business reality when telling the 'story' of the chosen business. These influences continue to inform question and paper construction.

The 90 minutes again seemed sufficient. Gaps appeared to be due more to lack of knowledge than lack of time. The paper differentiated well, and all questions were answered as expected with no major misinterpretations. Centres have taken full account of advice given to ensure as far as possible that candidates answer question parts in the space allocated. Where this was not so - for example, due to deleting a wrong answer in the answer line section - most candidates indicated the location of the corrected answer on the paper (e.g. 'see next page' or 'my answer is on the last blank page'). This practice is once again strongly encouraged.

Candidates' mean performance was similar to that of previous January cohorts, with an increase compared with January 2007. The paper contained some variations on past questions - for example, the invitation to calculate unit variable costs for the breakeven question - and candidates typically coped well with these.

A noted area of weakness in recent series has been in candidates' weak answers to questions that required specific application: for example, question 3 (b) on this paper, which referred to 'this' tour. Basing some questions on 'this' situation again caused difficulty for some candidates, although there is further evidence that centres are getting their candidates to tackle such questions with appropriate application. This specific application will remain a key theme of this paper, and centres are therefore once again encouraged to work closely with their candidates to ensure they cope with this particular challenge.

## Comments on individual questions

### Question 1

This style of question has been set many times before and for many candidates proved an easy four-mark start to this paper, particularly items (a) and (c) which were almost always correctly answered. There was, however, the expected confusion between credit and debit cards in (b), and between direct debit and debit cards as the method for (d).

### Question 2

The 'put a cross in the box' format is a recent innovation, and candidates are familiar with what is required. Although many scored full marks, the first bulleted item (pre-tour posters) was by far the most difficult. Candidates are likely to have experienced posters as running costs, so centres must continue to stress that the context for the cost is all-important.

### Question 3

Many candidates used to find the topic of Budgeting difficult. However, centres are teaching this topic thoroughly and candidates are displaying sound knowledge of budgets when answering part (a). In (b), many related their knowledge to 'this' tour, referring to relevant budgeting features such as control. Budgeting will continue to be tested using various approaches, for example asking how a business can use budgeting in a given situation, and getting candidates to undertake simple budget calculations then use them as a basis for comparison against actual.

### Question 4

Methods of payment questions still prove difficult for many candidates. As mentioned in earlier reports, the starting point for candidates should arguably be to identify clearly in their own minds the party to whom the question refers - in this case, a cost to the seller (*REL*), a cost 'to the fans' (buyers), and an advantage 'to *REL*'. Once candidates understand which party is which, they can focus their answer.

Part (a) also generated some misdirected answers with some candidates ignoring the 'cost' issue and instead referring to the advantages of using credit cards. Stronger answers developed points such as the likely cost of the equipment for *REL*, or interest costs for the fans. A common weakness was that many candidates assumed that interest is automatically paid, using 'will' rather than 'if' (the amount is not paid fully), which lost them a mark. There were generally stronger answers to (b), with many candidates describing clearly advantages such as the reduced risk of theft when there is less cash. Most candidates easily obtained the 'receipt' mark for part (ii).









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Order Code UG 019734 January 2008

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