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Examiners' Report

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## Paper 6361 SUMMER 06

### General Comments

This paper highlighted the need for candidates to prepare properly for these examinations. Both Question 1 and Question 2 proved popular with candidates. In Section B, Question 4 proved more popular with candidates.

Candidates hampered their progression through the mark range by failing to apply knowledge of appropriate theories and concepts. Candidates must demonstrate knowledge learned during their studies if they wish to achieve the highest grades. Candidates should also ensure that they answer the question which has been set rather than the question which they would have preferred. Too often candidates resorted to unsupported assertion.

It is disappointing that after one year of study, candidates have an imperfect understanding of motivation theory and are unable to correctly distinguish between Maslow, Taylor and Herzberg. Few candidates made effective use of motivation theory when answering 4(b). Understanding of McGregor's work and its significance was particularly disappointing.

In answering Section B, many candidates chose to switch to the question on Kraft, having attempted Question 1 in Section A. Answers to Question 4 demonstrated sound knowledge of the value of market research but a very poor grasp of supply and demand. The standard of response to Question 3 was more variable. Many candidates struggled to identify socially responsible policies and overstated the impact of the minimum wage on motivation.

Centres do need to ensure that their candidates understand that they should not attempt all questions on the paper. Over half of the candidates, in some centres, attempted to do this - few achieved a higher grade.

### Comments on individual questions

#### *Trade unions*

Most candidates were able to identify the role of trade unions role in representing the interests of employees. The best answers were able to identify the trade unions engaged in collective bargaining with managers in order to protect employees' rights and negotiate improvements in terms and conditions of employment. A few candidates demonstrated a lack of familiarity with the term.

#### *Inflation*

Good answers were able to explain that inflation was a persistent rise in the general level of prices over time. Some candidates expanded their answer, explaining how inflation might be measured and how it might be controlled. There were a significant number of candidates who were unable to explain what inflation was. This was disappointing after one year of study.

#### *Total cost*

This produced the best answer of the three terms examined in this section.

*Explain two possible objectives for a trade union*

Very few candidates gained full marks on this question. This was disappointing. The quality of answers varied significantly between centres. This suggests that some candidates do not study this part of the specification. Centres need to recognise that all parts of the specification may be examined at some time. Question spotting will disadvantage candidates. Answers which suggested that trade unions would engage in collective bargaining on behalf of the workers during wage negotiation in order to strengthen the bargaining power of workers was sufficient to gain half marks. A second example, suggesting that trade unions looked after workers' employment rights in order to prevent employers exploiting workers would have been sufficient to gain full marks. Too many candidates relied on assertion without development resulting in marks being lost on this question.

*Explain possible opportunity cost of introducing the minimum wage for 16 year-olds.*

Answers to this question which suggested that some 16 year-olds might leave school as a result of the introduction of a minimum wage were rewarded. The best answers recognised that the minimum wage would not be sufficient to entice high-achievers from their studies. The weakest candidates fixated on consequences rather than opportunity costs. The opportunity to reward these candidates was limited.

*Using appropriate diagrams, explain the likely effects of the increases in overhead costs on Bridge Stationery's profitability.*

The weakest candidates chose to ignore the requirement to produce a diagram in order to explain the likely effects of rising overhead costs. Candidates failing to produce an appropriate diagram were likely to be trapped in Level One of the Mark Scheme.

The quality of diagrams produced suggests that many candidates do not fully understand break-even or supply and demand. A high proportion of the diagrams were incorrect. One common error was the assumption that overheads were a variable cost.

Examiners noted that the quality of response varied from centre to centre. Well prepared candidates found this question extremely accessible.

It is apparent that centres need to spend more time teaching core concepts in order to give their candidates the best chance of success.

*Evaluate two ways which Mr Patel might attempt deal with rising costs.*

The question was intended to give candidates an opportunity to demonstrate their knowledge and make reasoned judgments. Some very good answers were produced by candidates who would read the evidence and were able to apply the toolkit in their response. Advertising and adding value were fruitfully discussed.

Some candidates chose to disadvantage themselves by ignoring the stimulus material. Failure to read the evidence meant that candidates were unable to contextualise the response. In almost all circumstances this led to lower marks being awarded.

The weakest responses suggested that the firm should sack part-time staff and employ more full-time workers. In appropriate answers, suggesting that Bridge Stationery should engage in lean production, JIT and exploit economies of scale by increasing

production, highlighted the inability of some candidates to select appropriate strategies.

#### *Changing consumer demand*

The best responses suggested that changing tastes and preferences and fashions may lead to changing consumer demand. Unsatisfactory responses relied upon tautology, arguing that changing consumer demand was demand from consumers which was changing. Examiners will not reward tautology. If candidates have difficulty offering clear explanations, then examples may be used to illustrate their understanding.

#### *Producer*

Few candidates had difficulty with this question. It was however surprising that some candidates believed that a producer provided services.

#### *Explain why higher costs of raw materials may cause lower profits for a company like Kraft.*

Most candidates were able to gain some reward for their answer to this question. A typical response suggested that higher commodity costs would lead to higher variable costs and that this would lead to higher total costs. Having established this, most candidates were able to use the formula:  $TR - TC = \text{profit}$  to explain the consequence of rising costs.

The very best answers challenged the implication that rising costs would automatically lead to a fall in profits discussing price elasticity of demand and pointing out that material costs may be only a small proportion of the total costs of Kraft. It was pleasing to see such high-quality answers.

#### *Explain how the increased demand for organic foods may have affected Kraft.*

Some candidates misread the evidence, concluding that Kraft would benefit from the growth in demand for organic foods as Kraft was a producer of organic foods. Candidates using the evidence suggested that Kraft might experience a loss of sales and that Kraft may be forced to innovate and produce alternative foods which would reflect changing tastes and preferences.

#### *Assess reasons why consumers may be prepared to pay more for organic food and drink.*

This question was generally well answered. Candidates argued that organic products may have added value and may be superior in quality to inferior snack foods. The ability to use economic and business theory distinguished the best answers. Surprisingly few candidates sought to use supply and demand diagrams to support their answers.

#### *Evaluate two ways, other than pricing, in which Kraft might respond to the changing food market.*

It is important when answering questions which require evaluation that candidates do more than just identify possible strategies. Examiners want candidates to assess the appropriateness of their proposed strategies and identify, where appropriate,

constraints. Candidates need to avoid unqualified assertions such as 'an advertising campaign will increase sales.'

*Explain the likely trade-offs facing government when it adopts socially responsible policies.*

While most candidates knew what a trade-off was, a significant proportion did not understand what socially responsible policies were. Those that didn't frequently chose to focus on trade-offs facing firms rather than government. The problems experienced by candidates attempting this question reinforce the importance of selecting questions carefully and not attempting questions where the candidate's subject knowledge is weak.

*Assess the possible impact of raising the minimum wage on the motivation of workers.*

This question caused surprising difficulties for some candidates. Those who understood and could apply Maslow's hierarchy did well on this question. Unfortunately there was a significant minority of candidates who could draw the hierarchy but could not apply their knowledge.

Other theories were used less successfully. Answers suggest that many candidates do not understand McGregor's Theory X and Y. Teachers may feel that it is appropriate to spend more time encouraging candidates to apply their knowledge of motivation and leadership theories rather than just learning abstract knowledge. This would be in keeping with the ethos of Nuffield Economics and Business Studies.

A number of candidates claimed remarkable benefits for firms following the introduction of the minimum wage. Surprisingly few candidates paused to consider what type of worker would receive the minimum wage and whether a pay rise of a few pence per hour (for some workers) would make an appreciable difference to their motivation. Taking time to think answers through would improve the quality of many candidates responses. This question highlights the benefits of planning a response.

*Explain the like effect on their supply of an increase in the prices of organic foods.*

It had been expected that candidates would identify that the increase in prices for organic foods might lead to high profits for growers, and that this might encourage an increase in supply. The best answers appreciated this and discussed the constraints facing producers who wish to increase supply.

While some candidates had clearly revised supply and demand theory, the vast majority of candidates struggled to demonstrate an understanding of the basic principles of supply and demand. Time and again candidates concluded that a rise in price would lead to a fall in demand causing a reduction in supply. It is evident that any candidates are unfamiliar with supply and demand theory and have not heard of *ceteris paribus*.

*Evaluate the likely benefits of market research to a company such as Kraft in the development of new products.*

Many candidates were able to write at length about market research and research techniques. Knowledge was consistently demonstrated by candidates. This question

enabled examiners to differentiate between candidates who could repeat knowledge of market research without applying it to the context and those candidates who could evaluate the value of market research to Kraft when developing new products. Examiners were able to use the full mark range when rewarding candidates attempting this question.



## Paper 6362 SUMMER 06

### General Comments

This was a mostly well-answered paper with the overall standard slightly down on last year. In general terms, the questions worked well producing a wide range of responses. It differentiated well with the better candidates having ample opportunity to show their abilities. Slightly less able candidates sometimes spoiled otherwise good scripts with a poor response to one question. Reasons for this included misreading the question, giving a prepared answer rather than the one asked for, and gaps in their knowledge and/or understanding.

It is worth stressing that apart from the usual examination revision, centres can help their candidates by explaining the meaning of the command words in the questions and how to respond to them. For example 'Examine' and 'Evaluate'. Sometimes even able candidates have not scored as well as they perhaps should have done because they did not hit the right assessment criteria.

The most popular combination of questions seemed to be 1, 2 & 4 closely followed by 1, 3 & 5. Not many did 1, 2 & 5 or 1, 3 & 4.

Q1(a) The definitions Most answered Innovations well but purchasing patterns did cause a few problems, answers were sometimes rescued by a good example. Monopoly power caused great problems however, with many candidates defining monopoly, which is not the same thing at all.

Q1(b) Good answers were rather disappointingly thin on the ground with many candidates choosing to write about Price Elasticity of Demand.

Q1(c) On the whole candidates could describe and apply the product life cycle although good analysis and evaluation was less evident. Some confused it with the business cycle.

Q1(d) A good question, less able candidates generally knew how to apply barriers to entry but often saw it as a one-sided issue and trotted out generic responses. Better candidates evaluated well using the evidence to suggest that barriers to entry could be overcome by innovation.

Q2(a) Most candidates answered this question well although some thought that premium products were things like petrol and cigarettes.

Q2(b) Generally not done well with many vague responses that lacked detail and failed to address the second part of the question. Only the better candidates seemed able to link 'innovation and continuous improvement' to a 'dynamic economy' and place it in context.

Q2© A classic example of many candidates not taking sufficient care when reading the question. Too many saw the words "Assess the importance of investment..." and based their answer on that, ignoring the crucial second part "...to the management of change". This limited their answers to, at best, half marks.

Q2(d) This produced some very good answers with some candidates showing good use of the toolkit and evaluating clearly and extensively.

Q3(a) A well answered question with a pleasing number developing the cost advantage to developing different ways to achieve competitive advantage.

Q3(b) This differentiated well with the less able candidates showing an understanding of the link between capital-intensive production methods and costs. Better candidates compared the short run and the long run situations.

Q3(c) Generally well answered, although analysis and evaluation was sometimes sketchy. Some interesting responses were seen about workers 'taking to the bottle'!

Q3(d) Knowledge of stakeholders was generally good but a misunderstanding of the business cycle spoilt some answers. Others failed to consolidate an otherwise good answer by not evaluating (see General Comments above).

Q4(a) There were only a few good responses here. Many answers just talked about demand in general. Decisions about the reallocation of resources were rarely mentioned.

Q4(b) Generally good responses but many candidates saw the decision to grow as either all good or all bad. A little more balance and evaluation would have helped significantly.

Q5(a) Some candidates handicapped themselves by misunderstanding structural change. Other responses were good and there were interesting answers here, many looked at it from the regeneration point of view, making good use of the context with both toolkit and evaluation.

Q5(b) As might be expected here, there was a range of responses covering fiscal, monetary and supply-side policies, although too many candidates seemed unaware that it is the MPC that sets interest rates and not the government. Better answers also considered the regulatory effects of government and evaluated well, considering the extent to which government activity helped or hindered business growth.

## Paper 6363 SUMMER 06

### General Comments

Centres' approach to coursework varies considerably. The original Nuffield ethos of a student centred investigation is now confined to relatively few centres, in spite of the fact that Moderators reported that it was these who on average tended to obtain higher marks. Centres are increasingly adopting an essay style approach and at worst the centre generated title. Here candidates have been encouraged to provide a great deal of factual information on selected companies, without relating this to the economic and business concepts and theories. Consequently teacher marking was often too high in the areas of application and analysis let alone evaluation. Many centres correctly encourage primary research, which at, its best, enhances the work, but all too often it is of poor quality and fails to examine the issues let alone to demonstrate an understanding of the relevance of the "toolkit." This often applies to those centres who produce the first piece prior to the October half term, 6 weeks into an AS course. Such work is frequently a recycling of GCSE ideas and methods. The better centres delay coursework enabling pupils to mature and to become familiar with toolkit concepts. Option 1 invariably results in a topic on "competitive advantage", with Tesco dominating the choice of titles. Alternatively some good titles involved an investigation of "How Sainsbury's lost its advantage." Unsuitable titles included how "WH Smith has a competitive advantage" alongside how Sainsbury's has maintained an advantage over Tesco using material from the early 1990's. Motivation is invariably the route taken for the second piece. Some centres do try and encourage topical issues and whilst many do work, for the weaker candidate it is a recipe for disaster. The media interest in alcohol/obesity sparked potentially interesting titles. Unfortunately Moderators were faced with PSHE type responses. The concept of marginal social costs/benefits and the socially optimal level remain a mystery to many candidates.

The standard of student performance is very similar to that of previous years although there has been a slight increase in the mean mark. The typical grade E candidate relies heavily on either class notes or text material with only a minimal level of application/analysis of the concepts. Work on motivation will usually involve a simplistic questionnaire resulting in obvious conclusions. On competitive advantage the same candidate will have only the vague appreciation of the issues and certainly will not use other sources to support their work. Grade A pupils draw in secondary information and use surveys in a more sophisticated manner. For example a motivation survey will take note of the age of the worker, the type of employment contract, length of time at the workplace etc. If using the essay approach the grade E candidate may include a short bibliography but with no real evidence that it has been used in the main body. Assertion led statements litter their work. The grade A candidate will use footnotes that clearly relate to what is often an extensive bibliography. This should be encouraged.

Centre performance is again very mixed. A large number of centres do follow the administrative requirements to the letter but this year has witnessed a noticeable increase in those centres failing to do at least one part of the exercise and, for some, all the instructions. Such centres fail to provide work by the deadline, fail to fill in the ICRS correctly with the correct authentication, fail in filling in the OPTEMS correctly, and fail to send the correct sample with the highest and lowest candidate and AS work can be sent to A2 Moderators.

Marking by centres was generally sound and often very good. However, Moderators report that the same centres are either inconsistent or over generous in marking. This

is usually in the area of analysis, using the toolkit and evaluation. Many centres spend a great deal of time marking the mark, indicating where credit has been given and provided students with detailed feedback forms. However, the weak centres will invariably mark as correct such things as the price/quantity axis drawn the wrong way and such as "rising mortgage interest rates will lead to a rise in house price."

Many good centres do have their own in-house policy regarding plagiarism and it was not unusual to see a zero score with an attached comment that the candidate had been disciplined by the school. Instances of plagiarism were often more in the nature of misquoted texts rather than copied out of malice. However, the number of clear cases of plagiarism has increased.

For those centres that appear to have difficulties it is suggested that teaching staff provide more focussed guidance to encourage all candidates to:

- 1) Select appropriate economic and business concepts and theories and incorporate these in their writing, providing examples that relate to candidates chosen titles.
- 2) If primary research is conducted then these findings need to be related back to the investigation, rather than the results presented in isolation. Avoid the simplistic questionnaire.
- 3) Candidates need to draw clear conclusions/evaluations at the end of their work where they review their findings and answer the set questions
- 4) The use of footnotes and bibliography is essential. A bibliography attached at the end with no evidence that it has been used is of little value.
- 5) Look at the marks that will lead to grade A.

## Paper 6364 SUMMER 06

### General comments

The paper was comparable to papers sat in previous years. The style of question was comparable to those set in previous years and the mark allocations were consistent with previous year's papers.

Quality of written communication was poor on occasions. At times writing was indecipherable. Examiners were conscientious in trying to interpret some very difficult scripts. In almost all cases candidates felt able to attempt all questions on the paper.

Most of the questions proved accessible to candidates sitting the paper, to the extent that they were able to gain some reward for their performance. A number of candidates were hampered by poor examination technique. They failed to read the questions set and consequently diverged from the tasks which were required of them. The distinction between the good and the weak candidates was often the ability to use the case study material and their ability to apply toolkit in their responses.

This paper achieved its objective of differentiating between candidates. It also served to highlight the particular strengths and weaknesses of many candidates. Interestingly it highlighted how some centres prepare their candidates for external examinations. It was evident from candidates' responses that some centres were better prepared for particular questions. This was most apparent with question five. Those centres which had spent time preparing their candidates to write extended answers achieved consistently higher marks. It was also apparent that some centres did not know or misunderstood certain parts of the economic and business tool kit. Candidates from these centres were disadvantaged by this lack of knowledge.

In common with the other units, there was a pattern of candidates misreading questions and then producing inappropriate responses.

### Comments on questions

*Briefly examine the importance of competitive pricing in the food retail sector.*

Candidates who had taken time to read the stimulus material were better prepared to answer this question. The stimulus identified conflicting views about the importance of competitive pricing in a food retail sector. Prior study of the food retail sector should have enhanced candidates' understanding of the role of pricing in the food retail sector. Answers suggest that many candidates did not understand the common characteristics of oligopolistic markets and did not appreciate the complex pricing strategy used by many supermarkets. Too often candidates discussed pricing strategies as though only a single product was being sold by supermarkets rather than 40,000 plus items. This simple view limited the reward that many candidates were able to gain for their response to this question.

Very few candidates considered issues such as regional monopolies, regional price variations and customer inertia. I did not see a single candidate, and upon the fact that convenience stores could survive in the market with higher prices because purchasing decisions were based not on price but on convenience.

The very best answers to this question correctly identified the pricing decisions were only one part of the marketing mix and that none price competition was of equal or greater importance.

Too many candidates saw this question as an opportunity to demonstrate everything they knew about pricing strategies. Competitive pricing strategies are related neither to cost of production nor to customer demand, rather they reflect prices charged by competitor firms. In certain cases this may mean keeping in step with competitors. Oligopolists study rivals when setting prices. A price truce is not uncommon in oligopolistic markets. It is less disruptive to follow the lead set by competitors rather engage in mutually damaging price warfare. It is evident that supermarkets seek to hamper consumer's ability to make price comparisons. The notion that supermarkets with higher average prices must inevitably fail is clearly flawed. The Evidence on Waitrose supports candidates reaching this conclusion. Previous investigation into the food retail sector and the experience of Safeway may also have led candidates to this conclusion.

*Examine the benefits of being customer-focused for supermarkets.*

In order to gain full marks candidates have to identify at least two possible benefits for supermarkets that are customer-focused. This question prompted a wide variety of responses. Some candidates reduced the anticipated response with appropriate examples to support their reasoning. Other candidates often stated assertions which could not readily be supported by evidence. A third group of candidates chose to modify the question, preferring to offer examples of what supermarkets could do in order to be customer-focused.

*Assess the implications for two stakeholders of food retailers building close relationships with suppliers.*

Again, this question showed the importance of reading the question. A minority of candidates chose to explore how a food retailer might gain from closer relationships with suppliers. A more frequent response was to offer assertions about economies of scale and competitive advantage. It is naive to assume that firms such as Tesco would get lower prices because of a closer relationship. It is reasonable to expect that purchasing economies of scale would ensure low prices for the company. Many candidates ignore the stimulus material, preferring to see 'closer relationships' as shorthand for exploit suppliers. The Evidence on Waitrose and elsewhere gave candidates a strong steer towards potential benefits. The very best answers talked about traceability for consumers and benchmarking and security for suppliers. It is a credit to their centres that these candidates were so well prepared.

*Assess the reasons behind the decision of Waitrose to target a distinct market segment.*

This question produced the strongest responses from almost all candidates. Most candidates were able to identify logical reasons for Waitrose's decision to target a distinct market segment. There was consistent use of economic and business terms. The very best answers were outstanding although given the time constraints, slightly too long. It is evident that this year candidates did read the additional evidence and did use it as a foundation for their answer. This is in marked contrast to last year's June paper.

*Evaluate the potential consequences for competition of Tesco's growing dominance of the UK retail market.*

It is possible to identify three broad categories of response to this question:

#### Category 1

Tesco is responsible for all out-of-town retail development. Tesco is the engine of the UK, and is responsible for the health of UK international trade. Mass unemployment and economic meltdown will result from the dominance of Tesco.

#### Category 2

I know a lot about Tesco. I want to summarise the pre-issued evidence. I will not refer to the potential consequences for competition of Tesco's growing dominance of the UK retail market.

#### Category 3

This category included candidates who made a valid attempt to answer this question. A significant number of these responses were outstanding and it was necessary to use all marks available. The quality of these responses reflects the benefits of adequate and thorough preparation for the examination. Typically, grade A candidates considered the impact that Tesco's growth would have upon the supermarket sector, the convenience store sector and the non-food sector (clothing, electrical, music and books sales). There were many scripts which demonstrated an ability to provide a critical overview of the market where candidates were not only able to drop economic and business terms into their response but were also able to demonstrate their appropriate application.

As a general point, it is worrying to note that many candidates believe that unqualified assertions and the repeated use of terms, without development, constitutes analysis and evaluation. Throughout the paper candidates glibly used phrases such as 'competitive advantage' and 'economies of scale'. Candidates knew that these were business terms and used them liberally throughout their responses. Far too often candidates assert that if a firm does something, anything, different then it will automatically have a competitive advantage.

Candidates need to appreciate that competitive advantage is the ability of an organisation to outperform its competitors. Where superiority over competitors can be maintained over time then this is sustained competitive advantage. Simply reducing costs does not give a firm competitive advantage. Rivals may have lower costs. Producing a new product does not give a firm competitive advantage. Rival products may be better. Alternatively a new product may not reflect consumer tastes and may sell poorly. Candidates need to reflect more carefully on what they write.



## Paper 6365 SUMMER 06

### General Comments

This year's paper produced a good range of answers of a slightly higher standard than last year. Most of the questions seemed to work well providing for good differentiation amongst the candidates. Option 1 was almost universally popular, then Option 3 closely followed by Option 2. There appeared to be little evidence of candidates not having enough time, those who had not completed the paper had nearly always written too much on the earlier stages.

On this paper nearly all the questions contain marks for evaluation, which sizeable numbers seemed to ignore. Some centres would benefit their candidates by devoting some time to examination technique and particularly on just what 'evaluate' means. The command words are also important e.g. on the question 1's too many candidates did not reach the higher marks because they failed to 'explain' the basic points they had made and when it came to 'examine' they explained instead.

Scripts were again sometimes difficult to read. Candidates need to be aware that examiners need to be able to reliably interpret answers to award marks. Some allocated time badly, often writing pages of irrelevance that strayed a very long way from the questions posed or alternatively making the same point time and time again. Candidates need to be aware that if they find themselves saying "as I said earlier" they are probably wasting valuable time. There was again some circumstantial evidence of candidates answering questions on Options they had not been prepared for (different from other candidates in the same centre).

### Option 1

Q1 Most candidates appreciated the benefits of a free trade area although many saw it as synonymous with a single market despite the evidence. Others re-wrote the evidence which left little room for credit.

Q2 Although most candidates saw the link to investment, not many managed to incorporate capital flows as well.

Q3 This open question produced a pleasing variety of responses with more able candidates giving well balanced and evaluated strategies. Less able candidates tended to provide generic responses that often failed to address the issue of keeping production in the US and bore little relation to the context. Rather depressingly a significant number ignored the question and suggested outsourcing production to a low cost country!

Q4 (a) A straightforward question that saw some good responses, although a number ignored the context or failed to evaluate the impact.

Q4 (b) Those that had bothered to read the evidence did well here and considered ideas such as quotas and tariffs or subsidies. Others assumed that the producers were not farmers but industries and that the way forward was to introduce kaizen or de-layer the management hierarchy!

Q5 (a) Too many candidates saw this as one sided and assumed that lower wages in Mexico meant sweat shops and the mass exploitation of the workforce. Whilst this might be partially true more perceptive candidates balanced this against the existing wage level and the alternatives to NAFTA.

Q5 (b) Some very good answers here but significant numbers had little or no idea about comparative advantage.

## Option 2

Q1 Clear answers were a bit of a rarity here, there was much tangled logic and strange use of theory.

Q2 On the whole this produced much better answers than Q1 although many still managed to get confused or did not bother to 'assess' the issue. Better candidates took a more balanced view.

Q3 An accessible question and most did well here, with the quality of evaluation differentiating the candidates. Surprisingly few touched upon the suitability of teleworking for different types of firms.

Q4 (a) This question suffered from candidates not reading it carefully enough. Too many saw it as a chance to show how much they knew about cost cutting and off they went with JIT and de-layering the management. More alert candidates wrote some good answers looking at the role of government, shocks and uncertainty, illustrating them with current examples such as oil prices.

Q4 (b) Generally done well with a good range of possible strategies put forward. Weaker responses were due to implausible strategies or lack of analysis and evaluation.

Q5 (a) As with Q1, there were some strange trains of thought here. Even the better answers were not always totally clear and not many managed much meaningful evaluation here such as looking at the effects for different groups of wage earners or the role of government in determining public sector pay.

Q5 (b) Most candidates could come up with two strategies but often failed to develop them or to evaluate them properly.

## Option 3

Q1 Few candidates did well here and many seemed unable to actually name any legislation, others failed to show how they protected employees.

Q2 Some good responses here that clearly understood the effect on firms both in the short and long term. Less good responses saw it as doom and gloom and the end of British business as we know it.

Q3 Too many answers here relied on assertions and "waffly". Few seemed able to justify the decision (one way or the other) by using business like rationale. However, a pleasing number did come up with some perceptive and balanced answers.

Q4 (a) Not the popular choice in this Option. Candidates struggled to develop their arguments beyond the evidence. Others tended to be rather one-sided and saw little advantage in staying in Stoke.

Q4 (b) Those candidates who chose this question tended to do quite well with some awareness of both the pros and cons of an extended supply chain.

Q5 (a) Some good answers and notably candidates used examples to reinforce their arguments. More perceptive candidates were able to note that patents were more important in some industries than others and also to balance the importance of patents against other factors. One candidate clearly affronted by the notion of very expensive pottery, noted rather indignantly that "£11,000 is a ridiculous amount of money, that's more than my car is worth".

Q5(b) Again there were some good answers here, particularly when candidates looked at different types of market structure. Elsewhere, whilst innovation was generally well understood, efficiency was a bit of a grey area. Less good responses often only looked at innovation and lacked evaluation.

## Paper 6366 SUMMER 06

### General Comments

Centres' approach to coursework is almost uniformly good, no matter the vehicle for delivery of the work. "Old" Nuffield centres still adopt the investigation although these are fewer in number. The majority now follow the essay approach but importantly give the pupil the freedom to choose the title which inevitably allows candidates to take ownership rather than being instructed what and how they must do the work. It is extremely rare to find the "Centre generated title." Titles offered tended to be in the same areas as last year but at A2 it is noticeable that candidates focus on topical issues rather than those dated back in excess of six years. Titles include Nike ( and others) and its approach to business, the growth of Tesco although even here few merely recycled the case study material for 6364, and if they did they used it in an investigative way to enhance their understanding of 6364 which seems very laudable. Moving call centres abroad was popular as was FDI. Topical issues involved the takeover of Body Shop by L'Oreal and comparisons between the economic performances of countries. The air industry figured prominently with many looking at EasyJet versus BA and the rivalry between Airbus and Boeing. Whilst at AS it is rare to find a coherent economic piece of coursework this is not the case at A2 although even here it is noticeable that teaching staff are not totally at home with detailed economic comment.

The standard of performance was similar to last year although the mean was very slightly down. Moderators commented upon the difficulty of finding work at Grade E that contains two pieces at this level. Invariably the "E" mark comes from one C/D piece and one poor piece, probably the result of other work pressures. Work of grade B upwards is common place. Grade A work exhibits good research, wide range of sources and the integration of footnotes, a bibliography and appendix. Most work now reaches 2000 words and perhaps the Coursework guideline on word limits should be revised upwards. Some centres do enforce the limit and Moderators feel that they are probably disadvantaging their candidates. The transition from AS to A2 obviously eliminates the weakest and it is not surprising that A2 coursework is of such sound quality.

Administrative failings are rare. Marking is accurate and detailed. The "rogue" candidate does still exist but these are few and far between. Most centres provide a detailed Feedback form for students highlighting how marks were allocated and areas to improve. Teachers do spend a significant amount of time marking the work. It is evident that teachers actively encourage a detailed bibliography.

The conclusion from all Moderators is that centres are doing a good job and enable a smooth moderation process to occur.

# Statistics

## Unit 1

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	50	30	26	23	20	17
Uniform boundary mark	90	72	63	54	45	36

## Unit 2

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	90	50	44	38	32	27
Uniform boundary mark	120	96	84	72	60	48

## Unit 3

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	100	70	62	54	47	40
Uniform boundary mark	90	72	63	54	45	36

## Unit 4

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	80	46	41	37	33	29
Uniform boundary mark	90	72	63	54	45	36

## Unit 5

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	100	60	54	48	42	36
Uniform boundary mark	120	96	84	72	60	48

## Unit 6

Grade	Max. Mark	A	B	C	D	E
Raw boundary mark	100	74	66	58	51	44
Uniform boundary mark	90	72	63	54	45	36



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