



2009 Business Management

Advanced Higher

Finalised Marking Instructions

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Business Management – Advanced Higher 2009

NB Throughout the paper marks are given for each relevant point, such as description, diagrams or explained examples. No marks are given at this level for identification of points, except where specified in answers to Section One. For further clarification of the types of answer which are acceptable see the definitions of command words in the appendix.

SECTION ONE

1. (a) *Using examples from the case study, explain how actions taken by FirstGroup may help it to achieve its vision of ‘Transforming Travel’.*

To gain full marks candidates should explain a minimum of 3 main points. Answers should refer to specific examples from the Case Study and relate these to the FirstGroup’s vision. Award up to 4 marks for quoting relevant sections from the Case Study.

Possible examples include the following.

- Investment in UK Rail – eg ‘Refresh programme’ – this could help FirstGroup deliver a high level of service, as it improves passenger comfort and increases the reliability of services. Refurbished carriages may increase customer satisfaction; improved maintenance services at First Scotrail could improve service reliability also.
- Innovation in UK Bus eg new buses with improved access and comfort may also improve service delivery and increase customer satisfaction.
- Partnerships with local authorities such as York – these can assist FirstGroup to “Transform Travel” as improvements made by the councils to the infrastructure can help buses move more quickly around cities and thus improve the service offered to customers; PIPs and ‘Streamline’ may have similar effects.
- Safety culture – this addresses the high levels of safety which are part of the ‘Transforming Travel’ vision.
- Learning centres – by providing training for drivers etc FirstGroup may reinforce its safety culture and therefore these also contribute to the achievement of its vision; training also leads to better customer service.
- Reducing maintenance costs – the cost savings gained can be used to improve travel further.
- Demonstrating environmental concern eg Green HQ.

(8 marks)

- (b) *Explain the extent to which FirstGroup has been successful in achieving its vision.*

To gain full marks candidates should explain a minimum of 2 points.

Answers should refer to specific material from the Case Study eg in Exhibit 2. Max 3 marks for answers which refer to suitable measures of success but do not relate them in any way to FirstGroup’s vision.

- FirstCapital Connect obtained the highest ever score for punctuality and reliability in 2007, which indicates achievement of customer service.
- First Scotrail achieved its highest ever satisfaction rating in 2007, which suggests that FirstGroup is succeeding in providing customer satisfaction.

- FirstGroup has won awards for Operator of the Year and Rail Business of the Year, which suggests that it is providing a good and safe service – although this may be because other operators do not achieve good standards, and does not mean necessarily that FirstGroup's standards were high.
- FirstGroup's turnover has increased from 2003-2007, which suggests that it is carrying more passengers, which may indicate that customers are satisfied with the service – although it is possible that customers have limited choice and may have to use FirstGroup even if they are unhappy with it.

(6 marks)

2. (a) *FirstGroup entered the US market in 1999 with a small scale acquisition. Assess the benefits that FirstGroup gained from this method of overseas expansion.*

To gain full marks candidates should explain a minimum of 2 points. Award a maximum of 3 marks for general points about the benefits of acquisition with no reference to the Case Study. Max 4 for answers that do not specifically discuss small-scale acquisition.

Benefits could include:

- gaining immediate entry into a new market and relevant experience – Ryder had 5% of the school bus market; this also means that FirstGroup benefits by not having to spend time and money establishing a presence.
- access to contracts – Ryder would already have contracts to supply school bus services so FirstGroup would not have to go through the bidding process.
- gaining a platform for further expansion – FirstGroup would be able to use Ryder’s expertise to bid for new contracts – and to take over other providers – as a result FirstGroup could grow organically and by acquisition.

(6 marks)

- (b) *With the aid of a force field diagram, explain why FirstGroup decided to buy Laidlaw International in 2007.*

Award a maximum of 2 marks for a diagram showing drivers, resistors, arrows of varying lengths pointing towards each other, and assets for change. If any of these is omitted award 1 mark. Award one mark for 2 or more headings without explanation in each category of drivers, resistors or assets. The remaining 5 marks should be awarded for explaining the relative strengths of individual drivers and resistors and overall conclusions as to why drivers are stronger than resistors. Max 2 for explaining individual drivers, resistors or assets for change without assessing their relative strengths. No marks for copies of case study material without any attempt at explanation.

Drivers

- Fit between Laidlaw and FirstGroup in terms of school buses and transit services.
- Contribution to FirstGroup’s profits.
- Potential cost savings.
- Platform for further growth.

Resistors

- Need to get regulatory approval.
- Trade union opposition.
- Lack of fit between Greyhound and FirstGroup in USA.

Assets

- FirstGroup’s ability to raise finance for the deal.
- FirstGroup’s experience of acquiring companies.
- FirstGroup’s successful track record in the USA.

The explanation is likely to concentrate on why, in FirstGroup's estimation, the drivers exceed the resistors, since they have gone ahead with the purchase. Some important drivers are within FirstGroup's control eg it is up to the company to ensure that Laidlaw International fits into its existing operations, which means that the company can strengthen this driver. Although the resistors are significant (eg delay in gaining regulatory approval), none of the resistors appear to be as strong as the drivers. Regulatory approval is expected to be achieved; it is within FirstGroup's power to reduce the resistor of possible Trade Unions' resistance by continuing a policy of neutrality. If Greyhound does not appear to be a viable option for FirstGroup, it can be sold off. Assets for the deal are strong also.

(10 marks)

3. *Analyse the importance of corporate social responsibility to FirstGroup's growth strategy.*

To gain full marks candidates should explain a minimum of 4 main points, each of which is likely to be built around a specific example from FirstGroup or a benefit/cost of CSR (corporate social responsibility).

Answers should refer to specific examples from the Case Study and relate these to the factors which FirstGroup has to take into account when implementing its growth strategy. Max 4 for answers which refer to relevant Case Study examples but do not relate them to FirstGroup's growth strategy, or make general theory points about CSR.

- There is public concern about carbon emissions from buses and trains. FirstGroup must allay these fears if it is to attract new customers and retain existing ones – otherwise it will not grow.
- Its investment programme has involved new engines with lower carbon and other emissions which may help alleviate public concern about emissions – and therefore encourage people to travel by train and bus.
- It is building a new green HQ which will help it to send a message to actual and potential customers that it is addressing environmental concerns – this may encourage people to use its services.
- FirstGroup has a commitment to improve the environment, which may help it to build a reputation as a socially responsible company – this may also help it to grow. In 2006 it was given the National Rail Award for Continuing Environmental Excellence, which is evidence that it is building a reputation as an environmentally friendly company; carrying more passengers more efficiently will also enhance the firm's reputation for environmental friendliness.
- In addition to helping build a reputation, FirstGroup's safety culture may also help it to maintain public confidence – by reducing accidents it can show that it is looking after both employees and members of the travelling public. This may provide a basis for future growth – if passengers have fears for their safety they are unlikely to travel by bus or train.
- The growth strategy itself may be environmentally friendly if it reduces road congestion etc – in this sense it can be seen as part of CSR.
- Attempts to introduce new environmentally friendly trains and buses are costly eg £145m spent by First Great Western – this means that FirstGroup will have to recoup these costs, but the investment may be critical to gaining additional passengers.
- Corporate initiatives such as the Safety Culture and Learning Centres help to improve motivation and loyalty of existing staff and attract high quality employees to work for the firm, with beneficial effects on growth.

(8 marks)

4. *Examine how Learning Centres may influence the motivation of employees at FirstGroup.*

To gain full marks candidates should explain a minimum of 2 points. A maximum of 2 marks may be given for appropriate reference to relevant theories of motivation.

- The fact that the learning centres offer flexible opportunities for learning gives employees the chance to fit their learning into their individual lifestyles, rather than have to study at a time decided by management; this gives employees a sense of empowerment, one of Herzberg's motivating factors.
- By improving competence, the Learning Centres will prepare employees for promotion and enhance their confidence.
- The effort taken by management to provide the Learning Centres will make the workers feel valued (credit Hawthorne effect) because it shows that management takes an interest in workers and their future.
- Learning about safety procedures at the Learning Centres will help to develop the safety culture because workers will be able to contribute more effectively to the IPP, enhancing self esteem and enabling them to take responsibility.

(6 marks)

5. *Explore the reasons why FirstGroup has developed partnerships with others involved in transport, such as local authorities and Trade Unions.*

To gain full marks candidates should explain a minimum of 2 points. Award a maximum of 2 marks for general points about partnerships.

- Local authorities and the Scottish Government are key stakeholders in transport – partnerships enable FirstGroup to take account of their interests.
- Interests of FirstGroup and local authorities etc may coincide eg providing punctual and efficient services for people.
- Local authorities are responsible for roads, traffic-management and so on, which means that FirstGroup needs to gain their co-operation.
- Partnerships provide opportunities for innovation eg in York.
- Partnerships can help FirstGroup tackle some of the problems which it faces, such as traffic congestion.
- Partnerships are consistent with FirstGroup's vision to improve customer service.

(6 marks)

6. (a) *Modern organisations face an ever-increasing pace of change. Explore the benefits and drawbacks of 3 of the following methods of introducing change.*

- *Top down*
- *Action-centred*
- *Piecemeal initiatives*
- *Participative*
- *Use of change agents.*

One mark for each explanation of a method of introducing change; up to 2 marks for each benefit or drawback. Max 6 marks per method. All points should be related to change.

- *Top down* – managers impose change without consultation; also known as “imposed” change (John Storey).
- Benefits: people at the top have an overview and so can make the change in line with the company’s mission; this method is appropriate in a major crisis where time for decision-making is short and survival is at stake; it may be necessary where a change is essential.
- Drawbacks: people lower down the organisation may not feel they “own” the change and might resist it; likely to be unpopular with employees eg because it will cause redundancies.

- *Action centred* – begins with a general idea of the problem and involves trying out various solutions (eg in pilot projects) before implementing the best one.
- Benefits: enables an organisation to try out possible solutions on a small scale for a limited time before making a permanent change; ensure that many different options are explored; allows employee to have an input.
- Drawbacks: if there is only one solution to the problem there is no point in this approach; tends to be used as part of continuous improvement, may not work for large change; piloting ideas can be a lengthy process.

- *Piecemeal initiatives* – small changes are made over time; may be top-down or negotiated.
- Benefit: by getting employees accustomed to change, gradual change can create confidence and prepare them for bigger changes in future.
- Drawbacks: a sense of overall direction may be lost; the changes might conflict eg an initiative to improve financial incentives might clash with one to improve technology because sufficient finance is unavailable to do both.

- *Participative* – where change is the result of discussion and consensus among all those involved.
- Benefits: fosters trust between management and workforce; everyone is committed to implementing the change because everyone has had an input into it and so “owns” it.
- Drawbacks: can be time consuming because it requires considerable co-operation and communication; relies on trust which can be easily damaged if management has to take back the right to push a change through eg in a crisis situation.

- *Use of change agents* – internal or external consultants are brought in to implement the strategy for change and co-ordinate the change process.
- Benefits: change agents can help by drawing up a force field analysis and developing and implementing an appropriate strategy; they can adopt a neutral approach, which may reduce resistance.
- Drawback: internal change agents will be familiar with the organisation but external ones are likely to have greater expertise in dealing with change in a variety of contexts; a mixture of both is desirable in situations of major change.

(14 marks)

- (b) *Explain the different interpersonal, informational and decision-making roles a Chief Executive might need to carry out when introducing a major change to an organisation.*

Max 6 marks for points about the roles not specifically related to change. One mark for each example of a CE using that role to help introduce change. Max 5 marks per heading.

Interpersonal

- Figurehead – the CE would represent the organisation to the outside world; by giving outsiders a good impression s/he would make customers and potential investors more willing to accept the change and buy the product/invest money.
- Leader – the CE is responsible for motivating the Board of Directors and inspiring them about the benefits of the change; this can then percolate down the organisation to the lower ranks.
- Liaison – by maintaining good relationships with outside bodies, the CE can get their backing for the change eg a local authority which is well disposed to the firm may be more inclined to give planning permission for new buildings.

Informational

- Disseminator – by communicating information down the organisation, the CE helps everyone to understand exactly what the change involves.
- Spokesperson – by communicating to individuals and groups outside the organisation on its behalf the CE can build good PR and support for its plans.
- Monitor – when the change is happening the CE will need to ensure that s/he has an overview of progress eg by requiring regular reports from those involved.

Decisional

- Resource Allocator – the CE must make sure all the resources needed for the change are in place for it to happen.
- Disturbance Handler – the CE may have to settle disputes between managers about the best way to handle aspects of the change, preventing trivial matters from distracting attention from the objectives of the change.
- Entrepreneur – the CE has to be alert to new opportunities for the firm that could help it continue the process of positive change.
- Negotiator – the CE may be involved in negotiating new conditions with a Trade Union or a new deal with a bank manager to fund the change.

(11 marks)

7. (a) *The UK may in future decide to join the European Monetary Union (EMU). Analyse the effects a decision to join the EMU might have on UK firms.*

One definition mark; up to 3 marks per effect. No marks for points about the EU in general.

- No transaction costs – UK firms will no longer have to pay transaction costs to exchange sterling for euros; as credit deals will be priced in euros there will no longer be any concerns about unfavourable movements in exchange rates before payment is due; UK firms will find it easier to set up subsidiaries in other EU countries as large sums of capital could be moved without the cost of conversion to another currency.
- Price transparency – UK firms will be able to compare the prices of suppliers in the UK with those in other Eurozone countries and choose the cheapest; UK customers will be able to compare prices across the Eurozone, which may lead to the loss of sales for uncompetitive UK firms; this could act as a stimulus to greater efficiency in order to cut costs to compete; customers in other Eurozone member countries may buy from UK firms whose prices are now seen to be lower – eg e-commerce.
- Menu costs – UK firms will face one-off costs of converting to the Euro – equipping the business and training personnel to deal with Euros rather than pounds; firms which mainly trade with countries outside the Eurozone will have to pay these costs but will still have to pay transaction costs for exchanging the Euro for other currencies.
- Increased competition – more multinational firms are likely to be attracted to the UK as by setting up here they gain access to a large European market using a single currency; this will increase competition for UK firms.
- Interest rates – these would now be set by the European Central Bank; UK firms would no longer be able to move surplus funds between European countries to take advantage of variations between interest rates for Sterling and the Euro; interest rates will depend on the economic situation of the Eurozone as a whole rather than that of the UK and not be as responsive to the needs of British business as before.

(13 marks)

7. (b) *Discuss the effectiveness of job enlargement, job rotation and job enrichment in increasing motivation in an organisation.*

One mark for a definition of each method and up to 2 marks for each discussion of a positive or negative effect of the method on motivation up to a total of 10 marks. The remaining 2 marks are available for comparisons/contrasts/conclusions.

- *Job Enlargement*

Where a job is expanded horizontally so that a worker is given more tasks of a similar nature to do; motivates by giving a greater variety of tasks, alleviating boredom; negative effects: increase in workload may increase stress on workers, giving more tasks to individual workers may lead to redundancies and consequent demotivation. Not as motivational as job enrichment as it does not necessarily mean more responsibility.

- *Job Rotation*

Switching workers between jobs from time to time – eg production line workers might be given a stint in the Marketing Department; motivates by giving the worker more variety and making their job less boring; giving them the chance to learn new skills, which may increase their self esteem and improving relationships across the organisation between departments; negative effects: workers may take time to adjust to different jobs and working environments; workers may be demotivated by doing different jobs on the same level with no increased responsibility. May be more interesting than job enlargement as the job is completely different, rather than the same but with more tasks. Not as motivating as job enrichment because it doesn't necessarily result in more responsibility for the worker.

- *Job Enrichment*

Allowing people the opportunity to use their ability by expanding a job vertically to give them a range of responsibilities – eg empowering workers themselves rather than managers to plan and control the tasks allocated to them; workers could be arranged in autonomous teams which are given responsibility for whole jobs rather than just parts of jobs, and for checking and making improvements to quality; job enrichment motivates by meeting workers' needs for responsibility, recognition, etc (Herzberg's motivators); it also meets Maslow's higher level growth needs for self esteem and self actualisation. Negative effects: techniques such as team working and empowerment may be more satisfying for workers but less cost effective because of the loss of the benefits of division of labour, time taken to arrive at decisions etc. The most likely of the three methods to motivate because it is the only one to load the job vertically.

(12 marks)

8. (a) *Explain the main ideas of the Classical School of Management and discuss its relevance to modern management practice.*

One mark per point and one for each development. Maximum 7 marks for discussion of either ideas or relevance.

Ideas

- The Classical School is based on Scientific Management which emphasised efficiency above all things; extensive division of labour was used; researchers such as Taylor carried out time and motion studies to find out the best way of doing a task and then set a standard rate of pay (piece rate).
- The Classical School had a mechanistic view of workers; it believed that employees were interested only in money; the only obligation of management was to set a “fair day’s pay for a fair day’s work”.
- Classical writers said the ideal organisation was a hierarchy (bureaucracy) with clearly defined rules and procedures; initiative was discouraged; managers were responsible for thinking, workers for obeying instructions; workers were closely supervised to ensure that instructions were obeyed and procedures followed; credit reference to other relevant ideas eg Max Weber and bureaucracy. Max 2 for discussion of Fayol’s 5; max 2 for discussion of Fayol’s 14.

Relevance

- The ideas of the Classical School are still relevant in manufacturing industries which have routine processes and require a standardised output. Many modern techniques like lean production and business process re-engineering are based on the principles of scientific management eg attempts to measure the time it takes to get an order to a customer and to reduce the time spent on each of the steps in the processes involved; elements of Scientific Management can also apply to service sector industries such as fast food outlets, so that a uniform service is provided throughout all branches; eg supermarket check-out operators may be trained in the precise way they have to deal with customers eg make eye contact, offer help with packing etc.
- No matter what other methods are used, money will always have some effect on motivation; unpaid workers won’t work and underpaid ones won’t work hard enough (credit reference to Herzberg’s hygiene factors).
- The Classical Approach has been criticised for demotivating workers by treating them like machines, division of labour can lead to boring, repetitive work and worker alienation as workers feel themselves to be small cogs in a large machine where they never see the end product; Mayo’s Hawthorne experiments proved that workers were not motivated purely by rational means; this led to the Human Relations School which stressed the importance of non-financial motivators to meet worker’s socio-psychological needs.

- Many modern organisations positively encourage workers to use their initiative by techniques such as team working and empowerment; these make many more good ideas available to an organisation from workers with first-hand knowledge of the production line or of customers; however in circumstances where the consequences of error would be catastrophic close monitoring of activities is still essential.
- The Classical School tended to concentrate on the needs of the organisation and ignore those of the workers while the Human Relations School was accused of doing the opposite. Modern organisations are more likely to use a contingency approach, choosing the best mix of different ideas about management to suit the particular situation in which they find themselves.
- Measuring performance has become increasingly important in all kinds of organisations in recent years because of greater expectations of employees in terms of meeting targets; this is an aspect of Scientific Management.

(11 marks)

8. (b) *Concerns over environmental issues have increased in recent years. Analyse ways in which these concerns might affect the activities of an organisation.*

One mark per point with one for each development or explained example up to a maximum of 4 per point. Points should concentrate on the activities of an organisation – no marks for general consequences of environmental issues for organisations.

- Production methods – business might have to adjust their production methods eg to minimise their use of energy or emission of pollutants; to replace non-renewable inputs with renewable ones.
- Products – firms may have to alter their product or its packaging eg Sainsbury introducing biodegradable packaging for its fruit and vegetables; may need to spend more on Research and Development to create new environmentally friendly products and processes.
- Waste – firms may have to devise ways to recycle waste; they may have to find more environmentally friendly ways of disposing of waste, increasing costs; some firms may decide that it is cheaper to pay the fines levied by the government and continue to use environmentally unfriendly methods.
- Administration – firms may try to minimise use of energy; this will mean introducing and maintaining suitable procedures eg to ensure items are not left on standby; carbon footprint is reduced by minimising use of paper.
- Marketing – marketing strategy will need to be adjusted to promote their products as environmentally friendly – eg Ariel’s “turn to 30°” campaign; firms may carry out annual Environmental Audits and publicise the results.
- Human Resources – firms need to train their employees in environmentally friendly attitudes; demonstrate commitment to protecting the environment as part of building a strong corporate culture eg by including it in their mission statement.

(14 marks)

9. (a) *The annual income of some multinational companies exceeds that of some countries. Discuss whether the positive effects of multinational companies on their host countries outweigh the negative ones.*

One mark for a definition of a MNC; one mark for each point and one for each development. Max 3 marks per heading. Max 8 for description of positive or negative effects. Max 10 for description of positive and negative effects without comparison.

Positive Effects

- Job creation – MNCs directly employ hundreds or thousands of people; jobs are created in firms that supply their raw materials and components; jobs are created in the local area as workers in the MNC spend their wages in shops etc.
- Competition – competition from MNCs may act as a stimulus to domestic firms to find ways to cut costs and increase efficiency.
- Training – MNCs often train their workers in new skills which can be used later in indigenous firms; managers from the home country may train workers from the host country to take their place eventually and the management skills acquired may be used elsewhere once the worker moves on to another firm.
- Technology Trickle-down – MNCs may bring knowledge of new production techniques which will gradually spread through local businesses in the host country.
- Balance of Payments Effects – positive: inward investment brings funds into the host country, improving the Balance of Payments; if the MNC supplies something that used to be imported the Balance of Trade will improve.
- Infrastructure – MNCs may improve roads, rail networks etc if they are not adequate to their needs, benefiting whole communities in lesser developed countries.

Negative Effects

- Job losses – jobs may be lost in smaller firms if they close due to competition from MNCs; many of the jobs offered by MNCs may be low skilled eg “screwdriver” jobs; MNCs often fill management jobs with personnel from the home country; changing economic or political factors may cause a multinational company to decide to move one of its factories to another country causing the loss of many jobs.
- Social Responsibility – many MNCs have set up in countries with less stringent safety laws than their home country, allowing them to cut the costs of production; it is claimed that poor safety procedures have caused accidents; an example is Bhopal where, in 1985 many people died at the Union Carbide plant owing to an escape of gas; other MNCs have been accused of operating unethically eg Nestle supplying powdered baby milk to lesser developed countries; MNCs have also been accused of plundering the natural resources of poorer countries and then moving out when they are exhausted.
- Balance of Payments Effects – MNCs may repatriate profits, adversely affecting the Balance of Payments; they may purchase inputs from their subsidiaries in other countries or the home country, thus increasing visible imports.

- Transfer pricing – MNCs may use this to avoid paying tax on their profits in countries with high tax rates.
- Comparison between positive and negative effects might refer to different circumstances eg whether the MNC makes goods or services, where it is located, extent to which it supplies an overseas market, extent to which it stimulates or competes with local businesses.

(12 marks)

9. (b) *Budgetary Control, Critical Path Analysis and Gantt Charts are methods of monitoring progress when implementing a strategy. Suggest ways in which a firm might use methods such as these to ensure that a strategy is carried out effectively.*

Max 6 per method. Similar points may be made about different methods; credit each point once only. Max 6 for points about Budgets, CPA or Gantt charts not specifically related to control.

Budgetary Control

- Budgetary control is the use of budgets to monitor progress by comparing planned and actual expenditure and income; budgets can be set for different aspects of a strategy eg production, sales, advertising, wages; performance can be compared with expected or target performance on an on-going basis; perhaps by use of information from computerised Management Information Systems eg financial data such as costs of inputs, overheads, sales revenue; production data like output per time period; marketing information such as sales; HR data such as labour turnover, output per employee. Variances can be calculated and immediate corrective action taken to ensure that the strategy remains on track; budgets act as departmental targets and managers can be held accountable for meeting them; under-spending in one area may release funds for use in another.

Critical Path Analysis

- Critical path analysis (CPA) plots the progress of a strategy by identifying the tasks which need to be done and the time each will take; these tasks are then plotted in order to find the critical path (the fastest route to completion); the earliest start time (EST) and the latest finish time (LFT) for each task are identified; by monitoring progress along the critical path, managers can identify activities are showing signs of ending later than the LFT (which will cause slippage on the critical path and so delay the whole project) and take corrective action; the CPA also identifies any float time – extra time available for the completion of some activities that will not affect the completion date and therefore may not need to be as closely monitored.

Gantt Charts

- A way of scheduling activities in a project. Usually the horizontal axis plots time and activities are indicated vertically in rectangular blocks; this gives a clear visual indication of the order of activities and which ones can be carried out concurrently; blocks are filled in as activities are completed so progress can be checked at any point in time; displaying the chart on a wall ensures that everyone is aware of progress to date and aware of potential delays before they occur so corrective action can be taken.

Other Methods

- Milestones may be set (perhaps at important points along the critical path or on a Gantt Chart) before the project begins; the date of reaching each milestone is then recorded to see if the project is likely to be on time; large differences between target and actual dates indicate a need for more careful monitoring of progress.
- Monitoring accountability by holding regular progress meetings, requiring those involved to submit monthly reports etc.
- Max one mark for a well-reasoned conclusion.

(13 marks)

APPENDIX

Advanced Higher Business Management

Command words	Definition
Analyse	Identify components and the relationship between them; draw out and relate implications.
Assess	Examine closely with a view to measuring a particular situation taking account of strengths and weaknesses; for and against.
Compare	Identify similarities and differences between two or more factors.
Contrast	Identify the differences between two or more factors.
Describe	Provide a through description.
Discuss	Examine closely taking account of strengths and weaknesses in an argument; offer reasons for and against.
Evaluate	Make an appraisal of the worth, effectiveness or usefulness of something.
Examine	Give both a description and an explanation.
Explain	Give a detailed response (definition and explanation) as to how/why something may benefit/hinder.
Explore	Explain in detail.
Justify	Explain why/give reasons to support your statements.
Suggest	Make a judgement and give some support or reason for your suggestion.

[END OF MARKING INSTRUCTIONS]