



## External Assessment Report 2013

Subject	Business Management
Level	Advanced Higher

The statistics used in this report are pre-appeal.

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published question papers and marking instructions for the examination.

# Comments on candidate performance

## General comments

Candidate performance improved significantly this year in both the report and the question paper, resulting in an increase in the pass rate, which is now higher than at any time since 2004. This year saw the proportion of A grades rise by more than 50%, and the award of a top band for the first time since the report became an externally-assessed element. Although the number of top grades is still small, this improvement is extremely encouraging and centres are to be commended for the hard work and perseverance that made it happen.

## The Business Report

Many candidates produced well-structured reports that met the criteria and were supported by robust evidence. There was a marked difference in performance between centres where candidates followed SQA guidelines closely and those where there seemed to be a lack of familiarity with the criteria.

Several more centres than last year failed to include the Researching a Business NAB with their submissions, making it impossible to mark the report, since it is based on the information in the NAB.

## The Question Paper

Performance in the examination was considerably better than in previous years, as is reflected by the increase in the pass rate. Candidates had clearly been well prepared and most were aware of the need to develop their answers fully.

## Areas in which candidates performed well

### Report

Candidates who performed well tended to follow the structure of the marking scheme in compiling their reports.

Candidates who chose small businesses with simple strategies had the advantage of being clear from the outset about what they were trying to investigate, and tended to score more highly than those tackling more complex types of organisation.

Many candidates scored well over the maximum mark for Section 1a).

Although performance in Section One continued to be better than in Section Two, markers noticed an improvement in the latter.

There were many good examples of Gantt charts, and several candidates used Force Field analysis effectively to evaluate the likelihood of their strategy's success.

## **Question paper: Section 1**

Candidates in general assimilated the information about STV Group well. They went on to demonstrate a greater awareness than in past years of what is required in this section of the examination, producing answers that were well supported by references to the case study material.

Questions 2, 3, 4 and 7 were particularly well answered, with most candidates scoring well over half of the available marks.

## **Question paper: Section 2**

Question 9a): Many candidates showed extensive knowledge of the costs and benefits of overseas expansion, meeting the maximum marks and which otherwise could have been awarded more.

Question 10b): Candidates scored well in describing the Classical School, though they were less successful in assessing its modern day relevance. This situation tended to be reversed for the Contingency School.

Question 12a): There were many high scoring answers from those who both knew about Mintzberg **and** were able to relate what he said to achieving objectives.

## **Areas which candidates found demanding**

### **Report**

Several submissions consisted of unsupported assertions, with little evidence of research having been carried out. It was therefore difficult or impossible for candidates to justify claims, especially when the accompanying NAB had minimal content.

Where objectives were only vaguely described in the NAB, candidates struggled to gain marks for explaining the connection between those objectives and the firm's intended strategy.

Several candidates presented a few unrelated courses of action as if they constituted a single strategy; in such cases each course of action was treated as a separate strategy, and the highest scoring one was credited.

Some candidates confused the terms 'objective' and 'strategy'.

Section 1d): Some candidates gave only vague generic descriptions of resources needed, with no evidence of cost.

Section 2a): There was sometimes a lack of specific evidence regarding the implications of the strategy for the current functional areas. A few candidates repeated the same points in both of these sections. No extra credit was given for this.

Several candidates made hypothetical points unsupported by evidence. No credit was given for these.

Some candidates did include significant information in appendices but made no reference to it in their report, failing even to mention it in footnotes, and thus forfeiting marks they could have earned.

A few candidates provided 'evidence' consisting only of footnoted website addresses.

As in previous years, some candidates confused internal and external SWOT factors, eg describing weaknesses as opportunities.

There was confusion about what could lead to profit maximisation. Many candidates assumed that increasing revenue on its own would necessarily increase profitability, and made no reference to changes in costs.

Section 2b): Many candidates gave mainly theoretical responses, eg describing strengths and weaknesses of primary and secondary information, rather than an evaluation of how the different kinds of information were used to form the strategy.

### **Question paper: Section 1**

There were few problems with the questions in this section, with most candidates making effective use of the material to produce well-constructed answers.

Question 5: Some candidates seemed to believe that force field analysis is a way of analysing the success of a decision already made. Consequently, they examined things that had happened after the decision, rather than those that had led to its being made. Many seemed unable to weigh up the strengths of the various forces or draw conclusions from their analysis.

### **Question paper: Section 2**

Question 9b): This was the lowest scoring Section 2 question. Most candidates discussed vague points that could relate to a business of any size; the highest scorers were able to make reference to specific sources of help and to small businesses in particular.

Question 10a): Question 10 was the most popular by far and was attempted by over 70% of candidates. However, knowledge of the consequences of enlargement was often sketchy and lacking in detail, leading to some low marks in this section.

Question 11b): As is usually the case with questions such as these, marks were generally low, with many candidates simply describing the meaning of the terms, and failing to explain their importance to businesses.

Question 12b): Several candidates failed to score highly here because they merely described the advantages of becoming more environmentally friendly, and did not relate points to specific functional areas as required by the question.

# Advice to centres for preparation of future candidates

## Report

- ◆ The quality of advice offered by centres to candidates is crucial. After several years under the current arrangements, it is disappointing that so many centres failed to submit NABs this year, and appear to be unaware of the requirements for the Report. Centres must ensure that they and their candidates are familiar with all the documentation currently available on the SQA website, especially the detailed marking scheme and Principal Assessor Reports over recent years.
- ◆ The quality of the final report depends to a large degree on the quality of information included in the Researching a Business NAB. If objectives, SWOT factors or stakeholders are only sketchily described in the NAB, it can be difficult to achieve many marks when relating these factors to the strategy in the report. Candidates need to ensure their research at the NAB stage is adequate to support the later work for the report.
- ◆ Candidates should be encouraged to use the detailed marking scheme on the SQA website as a checklist to ensure that they follow the criteria accurately.
- ◆ Using the eight section headings in the marking scheme can also help to maintain focus.
- ◆ It is important that NABs are marked fully and accurately to avoid candidates incorporating material wrongly credited in the NAB into their final report. For example, if internal and external SWOT factors have been confused, candidates should be made aware of this.
- ◆ Marks in the report are available only for discussion of what the organisation plans to do **in the future**. No credit is given for any part of the strategy that was implemented before the report was written.
- ◆ The main criteria when choosing an organisation to research are that the candidate can understand it fully, that the organisation is willing to make sufficient information available to the candidate, and that it has (or the candidate is able to devise) a clear and detailed future plan of action.
- ◆ Candidates should be wary of choosing an organisation whose strategy is to do nothing new. While technically permissible, candidates who do this often struggle to find things to say.
- ◆ The difference between 'strategy' and 'objectives' needs to be borne in mind. While there are different definitions of these terms, for the purpose of the Report 'objectives' are what the organisation **hopes to achieve**, whereas a 'strategy' is what it is going to **do** to try to reach its objectives. Although a strategy may be made up of several parts, it can normally be expressed in a single sentence.

- ◆ Using the strategy as the title of the Report can help to maintain focus throughout the Report.
- ◆ The Report requires analysis and evaluation of a single strategy. If more than one strategy is considered only one will be credited. Marks will be awarded for discussion of the component parts of a single strategy only if it is clear that the parts are interconnected.
- ◆ In Sections 1b), 1c) and 2c) the objectives, SWOT factors and stakeholders discussed should all be the same as those described in the Researching a Business NAB. If they are not, a reason for the change must be given.
- ◆ In Section 2b), candidates should demonstrate exactly how the information gathered helped to formulate the strategy. No marks are awarded for general points which are unconnected to the development of the strategy.
- ◆ Force field analysis may be used to assess the likely success of a strategy; conclusions from this should appear in the body of the report, with the diagram included as an appendix.
- ◆ Adequate evidence is vital to the validity of the final report. The Researching a Business NAB provides the background for the report, but more information is essential to explain, analyse and evaluate the strategy fully. Discussion in the report should be backed up by evidence included as appendices and appropriately footnoted, eg details of answers to interview questions, or results of questionnaire analysis. Only evidence used in the report should be included. Simply listing website names in footnotes is unacceptable as evidence; printouts of findings must be included as appendices.
- ◆ Scripts should be presented in one-and-a-half or double-line spacing with size 12 font and wide margins.
- ◆ Reports should be stapled together or presented in a slide or comb (not ring) binder. Enclosing individual sheets in clear plastic pockets complicates the marking task and should be avoided.

### **Question paper**

For several centres the advice is to keep doing what they are doing, in terms of teaching and exams preparation. These centres have developed impressive skills in delivering this course over the years, which is demonstrated by excellent results achieved across their presentations of candidates.

Other centres, perhaps newly delivering the course, or operating in less than ideal circumstances with minimal teacher contact time, need to ensure that they and their candidates are familiar with all the support material available on the SQA website. A few centres in this year's diet appeared to be using outdated guidelines as the basis for the report. It is important that centres ensure, each session, that they are using current versions, and keep up-to-date with any changes conveyed through subject update letters. Even candidates studying largely on their own need regular contact with their teacher to ensure that their report is on track and to develop their examination technique.

Many candidates need help to understand the meaning and purpose of force field analysis, and to be able to analyse the relative impact of the different forces on the final decision made.

Candidates need to ensure that they read questions carefully before choosing which to answer, noting what each is asking — eg if a question is about small businesses, examples of such businesses should be used in the answer; if the name of a writer on the syllabus is specified, little if any credit will be gained from discussion of other writers. This is particularly important when the topic is one the candidate feels they know very well — marks can often be lost through over-confidence by answering the question expected rather than the one actually set.

## Statistical information: update on Courses

Number of resulted entries in 2012	172
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Number of resulted entries in 2013	190
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## Statistical information: Performance of candidates

### Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark 150				
A	10.5%	10.5%	20	105
B	24.7%	35.3%	47	90
C	33.7%	68.9%	64	75
D	13.7%	82.6%	26	67
No award	17.4%	100.0%	33	-

## General commentary on grade boundaries

- ◆ While SQA aims to set examinations and create marking instructions which will allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and a well prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary), it is very challenging to get the standard on target every year, in every subject at every level.
- ◆ Each year, SQA therefore holds a grade boundary meeting for each subject at each level where it brings together all the information available (statistical and judgemental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.
- ◆ The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.
- ◆ An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions, are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in, say, Higher Chemistry, this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related, as they do not contain identical questions.
- ◆ SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.