



External Assessment Report 2013

Subject	Business Management
Level	Intermediate 2

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

Overall, candidates performed at a slightly higher standard than last year, especially more able candidates.

Some candidates showed poor understanding of the command word *explain*. In particular, these candidates only *described* when the question asked them to *explain*. Candidates need to show how or why the factor identified is an advantage or a disadvantage, or show its possible impact on an organisation.

Questions containing the command words *compare* or *distinguish* were answered better this year, than last.

Some candidates showed poor understanding of certain business terms.

Areas in which candidates performed well

- ◆ external factors
- ◆ tactical decisions
- ◆ stakeholders
- ◆ field research techniques
- ◆ product life cycle
- ◆ ICT
- ◆ stock levels
- ◆ secondary information
- ◆ sectors of activity
- ◆ pricing factors

The specific questions were:

Section 1

- ◆ Question 1: Most candidates knew how to name and describe three external factors other than economic.
- ◆ Question 2c): Most candidates knew how to identify two tactical decisions.
- ◆ Question 6: Most candidates knew how to describe how certain stakeholders would use financial information.

Section 2

- ◆ Question 1b) ii): Most candidates knew how to suggest three field research techniques.
- ◆ Question 2b): Most candidates knew how to identify and describe four stages in the product life cycle.
- ◆ Question 2e) i): Most candidates knew how to identify different types of ICT.
- ◆ Question 3a): Most candidates knew how to describe stock levels.
- ◆ Question 4b) ii): Most candidates knew how to give examples of secondary information.

- ◆ Question 5a): Most candidates knew how to describe and give an example of the sectors of activity.
- ◆ Question 5e): Most candidates knew how to describe pricing factors.

Areas which candidates found demanding

- ◆ benefits of restructuring (in particular downsizing)
- ◆ objectives of private sector and public sector organisations
- ◆ formal and informal structures
- ◆ financial uses of ICT
- ◆ accounting ratios
- ◆ accounting statements
- ◆ e-commerce
- ◆ functional grouping
- ◆ explain questions S1.4, S2.5(c)
- ◆ compare question S2.1(c)
- ◆ distinguish question S2.2(d)

The specific questions were:

Section 1

- ◆ Question 2b): Few candidates could describe three benefits of restructuring; most managed only one.
- ◆ Question 4: While most candidates could describe the benefits of branding, many failed to explain why these features were a benefit, eg *easily recognisable* is only a description, but *easily recognisable so customers choose it before unbranded products*, is an explanation.

Section 2

- ◆ Question 1c): Most candidates struggled to describe public sector objectives, or confused the public sector with PLCs. Of those who could describe these objectives, many failed to make valid comparisons with appropriate private sector objectives.
- ◆ Question 2a): Most candidates were unable to define informal structure and many struggled with formal structure as well.
- ◆ Question 2d): Very few candidates were able to make three valid distinctions between capital-intensive and labour-intensive methods of production.
- ◆ Question 2e) ii): Candidates struggled to describe financial uses of ICT, only making generic statements such as *databases could be used for storing records*.
- ◆ Question 3d): Very few candidates could describe any accounting ratio. A formula would have been sufficient to gain a mark. Candidates continue to make statements such as *the Gross Profit Percentage shows the amount of profit before expenses are taken off*, when the ratio only shows the amount of (gross) profit on each sale (ie the margin).
- ◆ Question 5b): Few candidates were able to describe the purpose of either a cash budget or a balance sheet.
- ◆ Question 5c): Many candidates seemed to be unaware of the term *e-commerce* and treated it as having something to do with market research. Those who did know the term were often only describing, rather than explaining, advantages and disadvantages.
- ◆ Question 5d): Many candidates had only a limited understanding of grouping by function, often assuming it had something to do with working in teams. This made it possible to

gain one or two marks but almost impossible to gain 3 or 4 marks. A minority made no attempt to answer the question.

Advice to centres for preparation of future candidates

- ◆ Candidates should be prepared to answer questions on any aspect covered by the arrangements documents and past papers. It is important to appreciate that the arrangements are not proscriptive, and that where an area/topic is specified in the arrangements at a higher level, but not at the level immediately below, it is still likely that some level of knowledge of that area will be expected at the lower level. Similarly, centres should be wary of the designation of certain areas/topics as 'higher only' or 'intermediate only' in some commercial publications. The main differences between the two levels are in the depth and breadth of knowledge and understanding expected.
- ◆ Candidates should have a clear understanding of all appropriate business terms.
- ◆ Candidates must have a clear understanding of what the *command word* used in the question requires of them when answering. Particular attention should be given as to the best ways to answer explain, distinguish or compare questions.
- ◆ Candidates must take care to read the questions properly. Every word is there for a reason.
- ◆ Candidates should be properly prepared by having the opportunity to practise past papers.
- ◆ When typed scripts are submitted, these are best done in *double-line spacing*, and with a *right margin* of (approximately) 4cm. If this is not possible, it would be useful to try to have more than single-line spacing and have margins of at least 3cm.

**Statistical information: update on Courses
Intermediate 2**

Number of resulted entries in 2012	3644
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Number of resulted entries in 2013	4042
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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 75				
A	36.3%	36.3%	1467	52
B	24.2%	60.5%	978	44
C	18.8%	79.2%	758	37
D	6.9%	86.1%	279	33
No award	13.9%	100.0%	560	-

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.