



External Assessment Report 2012

Subject(s)	Business Management
Level(s)	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 examination. 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

Performance in the Report was better than in any previous year, and a significant improvement on last year. There was evidence that the average candidate was better prepared in terms of both examination technique and previous achievement than in 2011.

The average standard of this year's candidature, based on comparison of the results at Higher level of the 2012 cohort with those of the 2011 one, was higher, and centre estimates were up on last year. However, performance in the external examination failed to reflect that improvement, largely because the level of demand in Section One proved to be higher than anticipated, with the majority of candidates being unable to access full marks in some questions. The grade boundaries have been reduced by five marks this year to compensate for this increased level of difficulty.

The Business Report

A general improvement was seen, although many points from previous years' reports still apply in a diminishing number of cases.

The vast majority of candidates demonstrated awareness of the requirements of the Report. Presentation was in general good, with most candidates using the section titles in the marking guidelines as chapter headings. There was general awareness of the need to back up assertions with reference to research findings, and fewer candidates than in previous years forfeited marks by offering theoretical rather than evidence-based responses.

Candidates had clearly been well advised. More candidates than in previous years scored over 25 marks, and the highest-scoring Reports were well supported by research evidence. The best Reports tended to deal with small businesses. Only one centre failed to include the Researching a Business NAB along with the Business Report in its submission. Two candidates presented reports on strategies already fully implemented at the time of writing, scoring extremely low marks as a result.

Failure to justify findings in the Report owing to lack of research evidence continued to be a problem for some candidates, with several providing no real evidence for their assertions. A few submissions included large appendices which were neither referenced nor discussed. This practice is to be discouraged.

Areas in which candidates performed well

Candidates, in the main, had clearly been made aware of the requirements, and generally the highest marks went to those who ensured they included all the elements specified in the instructions on the SQA website.

Performance in both sections was better than in previous years. There were many good responses based on clear strategies. Candidates had taken on board the requirement to

concentrate on a single strategy, and fewer 'strategies' this year consisted of a series of unconnected actions. Those candidates who presented strategies that had a few, clearly related, elements tended to score high marks. Many candidates gained credit for reference to well-constructed Gantt charts when discussing the timeline for the implementation of their organisation's strategy.

Sections on SWOT and Stakeholder analysis were well done by most candidates.

Areas which candidates found demanding

A few candidates did not have a coherent strategy, or presented multiple strategies. Some reports were based on minimal evidence, and these did not score well. Several of the Reports dealing with large businesses failed to achieve high marks owing to offering description of the business rather than analysis. Also, a number of the candidates concerned did not seem fully to understand the business selected, leading to difficulties in both analysis and evaluation.

A number of mistakes from previous years recurred:

- ◆ Some candidates lost marks owing to discussing objectives, SWOT factors or stakeholders differing from those in the Researching a Business NAB, and failing to offer any explanation for the changes.
- ◆ Confusion between internal and external SWOT factors continued to be evident in some submissions.
- ◆ A few candidates included competitors as a category of stakeholder.
- ◆ Section (b) of the Evaluation Section was poorly done by many. There was often a failure to discuss the quality of the information and its relevance to forming the strategy. Instead candidates made irrelevant points about the research methods they had adopted.
- ◆ Several candidates included information in appendices but failed to indicate this by footnotes in their Reports.

Advice to centres for preparation of future candidates

Candidates are advised to pay close attention to the marking guidelines on the SQA website, and make sure their Reports fully comply with these before submitting them.

In particular, candidates should bear in mind that the Report requires analysis, explanation and evaluation of the chosen organisation's **intended future course of action**, and very few marks, if any, are available for discussion of an already-completed strategy.

Candidates are generally well advised to choose a small organisation as the subject of their research. This should be one that interests them and that has a plan for the future, together with people in charge who are willing and available to talk with the candidate.

Candidates are advised to use the strategy as the title of their Report and enter it on the front page; this should help to maintain focus throughout the Report.

Candidates need to ensure that they understand the difference between plans and objectives, and that their 'strategy' is a plan about a specific course of action that will help to meet the organisation's objectives.

The Report requires analysis and evaluation of a single strategy. If more than one strategy is considered, only one will be credited. However, marks **will** be awarded for discussion of the component parts of a single strategy, providing such parts clearly form part of one overall strategy.

In Sections 1(b), 1(c) and 2(c) the objectives, SWOT factors and stakeholders discussed should all be the same as those described in the Researching a Business NAB. Adding a 'new' objective, SWOT factor or stakeholder at this stage is unusual, and no credit will be given unless a satisfactory explanation for the addition is given.

In Section 1(c) candidates should be aware of the difference between internal factors (strengths and weaknesses) and external ones (opportunities and threats).

In Section 2(b) candidates should concentrate on demonstrating how the information gathered helped to formulate the strategy. No marks are awarded for general points on the benefits of different methods of research unless they are related to the development of the strategy.

Findings in the Report must be supported by evidence. The Researching a Business NAB provides the background, but additional information is essential to inform discussion of the strategy, its effects, and its likelihood of success. A single interview with an owner or manager is not adequate evidence on its own. If a questionnaire has been used, some sort of analysis of results, including numbers surveyed, is required.

Evidence of assertions made should be attached as appendices, but there is no need to include evidence gathered but not used in the Report. Footnotes should be used to indicate

where the evidence is to be found. If a lengthy document is referred to the candidate should indicate the relevant page(s).

In Section 2(c) competitors should not be included as stakeholders.

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.

The Examination

Most candidates demonstrated a sound knowledge of examination technique, but, as in previous years, many were let down by the narrow scope of their revision. This limited the choice in Section 2, where it was common for candidates to score high marks in one part of the question and very low marks in the other one.

More candidates failed to finish the paper in the allocated time than in previous years. This probably reflects the level of difficulty of the Case Study and the extra time taken to digest its contents.

Areas in which candidates performed well

Section One

Most candidates showed good general awareness of the required technique, and made valiant attempts to use the Case Study material to answer the questions set.

Q3: Most candidates coped well with this question and were able to use the financial information to justify the points made. Better candidates evaluated the relative significance of individual measures of change in performance.

Section Two

Qs 8 and 9: These were the most popular, and most candidates demonstrated good knowledge of the relevant theory

Q10(a): The most commonly discussed writers were Maslow and Herzberg. There were many good answers. Candidates were in general more sure of Maslow's than Herzberg's theory.

Q10(b): There were many good answers to this question, with most candidates making specific links between CSR and functional areas.

Areas which candidates found demanding

Section One

Most candidates struggled with questions 1, 4, 5, 7 and 8.

Q1: Most candidates made good general points about organic growth but found it harder to suggest specific reasons for Aggreko's focus on it.

Q4: Candidates had difficulty analysing the particular benefits of Aggreko's two business models

Q5: The most difficult question — many candidates made several good points, but none scored full marks.

Q7: Candidates experienced difficulty in extracting sufficient information, and relating it specifically to Aggreko's growth prospects.

Q8: Many candidates were unable to understand Aggreko's unusual 'hub and spoke' system.

Section Two

Q9(a): Some candidates equated the term 'globalisation' with becoming a multinational company, and presented answers discussing the benefits for a firm of choosing to do this. Others discussed the effects of globalisation on the UK economy rather than on organisations as specified in the question.

Q9(b): Knowledge of the Systems School was poor.

Q11(a): There was a lack of genuine comparison in many candidates' responses.

Q11(b): Several candidates focused on describing the individual elements of SWOT analysis, rather than the benefits to business of using it.

Q12(a): Specific links to profitability were well made, but knowledge of EU policies was often woolly.

Q12(b): Several candidates thought that 'autocratic' and 'democratic' were two different theories of leadership.

Advice to centres for preparation of future candidates

Information disseminated at the PDW in October 2011 has clearly been taken on board, and there was evidence of good examination technique throughout this year's cohort. Centres are encouraged to continue the good practice already evident.

Centres should continue to develop candidates' ability to deal with financial information, so that more candidates are able to analyse, rather than simply describe, measures of changes in performance. A deeper understanding would, for example, lead to fewer candidates confusing share prices and share dividends, and more being able to explain the means by which capital expenditure can contribute to an improvement in a company's performance.

In Section One of the examination only a few marks are available in some (not all) questions for making theoretical points. The main focus in this section should be on extracting information from the Case Study to answer the questions.

Candidates should be aware that definition marks are awarded only in Section Two.

Candidates need to make sure that they revise broadly and deeply enough to be able to answer both elements of the Section Two questions chosen.

Systems Theory is in general not well understood by most candidates, and course notes on this topic may need to be supplemented with extra material.

Candidates need help to understand concepts such as leadership theory and globalisation, so that they do not treat individual aspects of a concept as the whole, eg by regarding an autocratic leadership style as a leadership theory, or becoming a multinational company as globalisation.

Candidates need to develop their ability to offer genuine comparisons, eg of the Classical and Systems Schools of management, or the different skills required by entrepreneurs and managers.

Statistical information: update on Courses

Number of resulted entries in 2011	197
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Number of resulted entries in 2012	172
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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	6.4%	6.4%	11	100
B	22.1%	28.5%	38	85
C	36.6%	65.1%	63	70
D	17.4%	82.6%	30	62
No award	17.4%	100.0%	30	-

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.