



External Assessment Report 2012

Subject(s)	Business Management
Level(s)	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

The number of presentations rose this year from 6,932 candidates to 7,046. The percentage of candidates gaining grade A-C was 74.9%, representing an increase of 11.6% on the previous year. Feedback from markers suggests there was a strong cohort of candidates this year.

Areas in which candidates performed well

Candidates are handling the command words well, on the whole, using the command to answer the question posed more accurately, and to demonstrate their subject knowledge. Many candidates gave very lengthy and detailed answers, displaying excellent knowledge of the subject.

Areas which candidates found demanding

Section 1

Question 1: Some of the problems in the case study could have been correctly listed under more than one of the required headings. It is only necessary to give the problem once, but candidates should be careful to check they have given a minimum of three points under each of the headings. Marks are not awarded for repeated points.

Question 2: Many candidates did not know the role of an LEC, and gave very vague answers. Some thought an LEC carries out marketing activities on behalf of the organisation. Sometimes candidates failed to read the question properly and described methods of funding.

Question 3: Some candidates failed to read the question properly and did not address appropriate pricing tactics when selling an **exclusive** product. Destroyer and penetration pricing were therefore not acceptable answers.

Question 5: There was some difficulty with the command word 'distinguish'. If candidates were to use the word 'whereas' in their answer they would be more likely to gain marks because they are clearly linking their answers. Candidates not taking this approach should make sure the two parts of their answer are related in some way. Knowledge of decentralised and centralised decision-making was at times poor. There was some evidence of confusing decision-making with centralised/decentralised stock management and types of management.

Question 6: Candidates frequently failed to explain the benefits of introducing ICT and simply gave a description. To gain marks candidates needed to say why the introduction of ICT was in fact a benefit. Some candidates made vague reference to ICT; better answers clearly

identified the method of ICT they were referring to. For example a candidate gained a mark for stating: 'An external hard drive could be used to store all information of contacts, suppliers etc which means if there is a fault with computers all information is backed up and not lost.' The candidate has described how the hard drive could be used, and went on to explain the benefit. The use of 'which means' in the answer makes the explanation clear.

Question 8: The knowledge of under- and over-stocking was quite good. However, not all candidates successfully explained the problems, only giving an effect. For example, a candidate stating 'stock may be perishable and go out of date' is giving an effect of over-stocking. By adding 'which means it can no longer be used in production' makes the response an explanation and worthy of the mark.

Question 9: Many candidates showed a poor understanding of flexible working practices.

Section 2

Q1 (a): Candidates showed some understanding of what product endorsement is, but many failed to write enough for six marks.

Q1 (b): Some candidates displayed a poor knowledge of customer grouping, often making reference to market segmentation.

Q1 (e): The features of high quality information were not always sufficiently described, merely listed. For example, a candidate who stated 'high quality information has to be as accurate as it can be' is not describing the feature (ie accuracy). To gain a mark, it would have required 'which means it contains no errors' to be added.

Q2 (a): 'Line' and 'lateral' were the most common answers. Unfortunately these were sometimes muddled. Few referred to functional, staff or informal relationships.

Q2 (b) (i): Candidates should be careful not to confuse quality assurance with quality control.

Q2 (b) (ii): Candidates should make their distinction between batch and flow clearly. Sometimes it was difficult to know which type of production they were describing when no attempt was made to use the terms 'job', 'batch' and 'flow'.

Q2 (c): The description of ratios was poor. Most candidates gaining marks did so by giving the formula. There were few, or poor, attempts at justification. Candidates should be aware that the Net Profit and Gross Profit ratios do not show the profit made by the organisation but only the **percentage** profit made on each £ of sales.

Q3 (a): Some candidates gave sources of information as opposed to types.

Q3 (b): The question was well done but candidates should be made aware there is no need to refer to the selection process.

Q3 (c): Some candidates were not aware of the names of different employment contracts. Justification of their use was poor.

Q3 (e): Knowledge of the role of the wholesaler was poor. Candidates found it difficult to explain the advantages and disadvantages.

Q4 (b): It was evident that candidates had poor knowledge of the Equalities Act. If they referred to the fact that the Act has overtaken the various discrimination acts, mentioned the nine protected characteristics and the types of discrimination covered, then full marks were possible.

Q4 (e): Although knowledge of the structured decision-making was good, many candidates failed to gain all five marks. The command word 'explain' made the question more challenging. An example of an answer gaining a mark is: 'The development of alternative solutions for a problem means that a business has other ways to fall back on if the chosen method of resolving an issue didn't work.' This candidate developed their answer, giving the advantage of developing alternative solutions.

Q5 (a): Many candidates assume a multinational organisation is simply a 'large' organisation. Some described the characteristics of any public limited company.

Q5 (c) (i): Description of the final accounts was poor. Straightforward responses were anticipated such as 'the balance sheet details the assets and liabilities of a firm'.

Q5 (c) (ii): Knowledge of the use of final accounts was poor.

Q5 (e): There was evidence of poor knowledge of sampling. Likewise the knowledge of product led and market led organisations was weak.

Advice to centres for preparation of future candidates

Candidates who are taught to handle the command words perform well. Centres should continue to make candidates aware of these, concentrating on the higher-order command words. Exemplification, using the 2011 paper, is available on www.understandingstandards.org.uk

'Distinguish' and 'compare' questions tend to gain more marks if the points are clearly linked, with the use of 'whereas', for example. However, candidates are not penalised for not taking this approach if the link is obvious to the marker and they display knowledge of the terms being tested.

Candidates should be encouraged to 'explain' clearly. Marks are gained more easily if they are encouraged to add 'which means' or 'therefore' to develop their answer.

Some areas of content need to be emphasised: finance, the role of the wholesaler, sampling, product- and market-led organisations, and the features of the Equality Act in particular. Reference can be made to past paper questions and the marking instructions on the SQA website.

This year there were a lot of lengthy answers, displaying sound knowledge of the Course. However candidates must be careful to watch their time during the exam and not rush the last question or fail to finish.

Word-processed scripts must be printed in double line spacing with an appropriate font and a wide right hand margin for use by the marker. It would also be useful to number the pages and clearly indicate the end of the text.

Candidates should be encouraged to read the questions very carefully. Sometimes failing to address one word in the question can result in the loss of marks.

Candidates should read all the questions in Section Two carefully before making their choice. They need to make sure they can tackle all parts of the question before starting. It is good practice to mark the areas they are confident with and those which they find difficult. This will help clarify which two questions they can handle best.

Statistical information: update on Courses

Number of resulted entries in 2011	6932
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Number of resulted entries in 2012	7065
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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 100				
A	24.3%	24.3%	1719	72
B	27.1%	51.4%	1914	61
C	23.5%	74.9%	1660	51
D	9.3%	84.2%	657	46
No award	15.8%	100.0%	1115	-

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.