



External Assessment Report 2014

Subject(s)	Business Management
Level(s)	Higher

The statistics used in this report are prior to the outcome of any Post Results Services requests

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

There was evidence of some strong performance in this year's paper. While the overall percentage of those awarded A-C grades remained similar to 2013 (75.9%), there was an improvement in performance at the upper end. Many candidates wrote very detailed answers. As a well established Higher, candidates who had made use of past papers were able to handle the questions well. However in some cases they answered the question they expected to see as opposed to the actual question.

Areas in which candidates performed well

With the exception of "explain" the majority of candidates handled the command words well.

Section 1 Question 2: Most candidates were able to describe the benefits of investing in new technology.

Section 1 Question 5: Candidates displayed good knowledge of different pricing tactics.

Section 1 Question 7: The knowledge of a stakeholder's influence was good although a small number of candidates wrongly identified a competitor as a stakeholder.

Section 1 Question 8: Most candidates were able to describe internal factors reasonably well. Some did confuse influence with interest.

Section 2 Question 1a: Candidates handled this question well, being able to describe and justify methods of production.

Section 2 Question 1c: The descriptions of financing a takeover were good. Government grant was awarded. Although not common, grants have been awarded in the past to support takeovers.

Section 2 Question 1d: Most candidates were able to explain the effect of branding products.

Section 2 Question 2a: Candidates were able to display knowledge of a matrix structure: an area of improvement in the last few years.

Section 2 Question 2c: The majority of candidates were able to describe the types of industrial action well.

Section 2 Question 2d: The explanation of the effects of industrial action was handled well.

Section 2 Question 2e: Most candidates were able to describe how a manager could assess the effectiveness of a decision.

Section 2 Question 3a: Candidates appeared to have a fairly good understanding of outsourcing and were able to explain its impact.

Section 2 Question 3b: Candidates handled this well on the whole. However some gave very dated facts. An increase in women in full-time employment was not awarded a mark by itself; more women in managerial posts however was an acceptable point.

Section 2 Question 3e: Candidates were able to describe the different stages in setting a stock level well. However there were some very poor and inaccurate diagrams.

Section 2 Question 3d: Knowledge of the use of structured decision making models was good.

Section 2 Question 3e: Most candidates were able to distinguish between the terms given.

Section 2 Question 4a: The advantages of using e-commerce proved to be a question candidates handled well including the fact the advantages had to be explained.

Section 2 Question 5b: Candidates appeared to understand the purpose of a mission statement which is another improvement over the last few years.

Section 2 Question 5e: Most candidates were able to describe the factors an organisation would take into account prior to selecting a supplier.

Section 2 Question 5f: The justification of the use of staff training was handled well.

Areas which candidates found demanding

Section 1 Question 1: Although this is a well-practised question, some candidates found it difficult to identify which heading the problem should be listed under. This may have been due to the nature of the case study.

Section 1 Question 3: Some candidates failed to address the command word in this question. Explaining the benefits of delayering required candidates to say why their first statement was a benefit. For example if they said that delayering meant money is saved on managerial salaries they also had to state why this is a benefit ie it increases profits.

Section 1 Question 4: Some candidates confused horizontal integration with vertical and therefore could not be awarded marks.

Section 1 Question 6: This proved to be a challenging question due to the combination of "explain" with finance. Few candidates were able to gain full marks due firstly to a lack of knowledge of the purpose of cash budgets and secondly failing to explain why they are used.

Section 1 Question 9: There were a large number of candidates who confused quality standards with quality control/assurance and gained little or no marks. This is an example of a question where the candidates answered the question they expected to see and not the actual question.

Section 2 Question 1b: Physical distribution was frequently mistaken as channels of distribution. Many candidates who correctly understood physical distribution repeated points under the different methods eg transporting by sea means it is quicker and more effective for bulky items and rail transportation allows for quick delivery of bulky items. This would only have been awarded the mark once.

Section 2 Question 1e: The understanding of the purpose of a Public Relations department remains poor. Many candidates gave promotional activities.

Section 2 Question 2b: Knowledge of the role of the Finance department was not particularly strong. The question also used the command word "explain" which proved challenging.

Section 2 Question 2f: This question did not cause major issues but sometimes descriptions of the characteristics of information were brief and poor. In some cases the description of the characteristic identified was wrong and gained no marks.

Section 2 Question 4b: There still seems to be a lot of confusion between public sector organisations and public limited companies.

Section 2 Question 4c: Candidates did show that they understood the meaning of field research techniques. However the question asked for a discussion of the use of the techniques and many answers were repetitive eg telephone survey is a relatively cheap method, hall test is a fairly cheap method. Although both of these points are shown in the marking instructions, only one mark would be available.

Section 2 Question 4d: There was evidence of confusion between some of the different forms of testing ie attainment, aptitude and intelligence.

Section 2 Question 4e: Although candidates scored well in this question about different forms of grouping, many answered just by giving a basic description of each one ie functional grouping is when organisations are grouped into departments and product grouping is when each division will be grouped according to the product range. Little depth of understanding was really shown. There were some candidates who confused forms of grouping with market segmentation.

Section 2 Q5a: Many candidates found it difficult to do much more than identify some of the factors which are taken into account before choosing a channel of distribution. They had learned a list of points such as "the product being sold" or "the finance available" but their answers did not always display an understanding of how they affect the choice.

Section 2 Question 5c: Candidates had difficulty in making a distinction between the financial terms. Knowledge of the term debentures was particularly poor, some confusing it with dividends.

Section 2 Question 5d: The reasons for using accounting ratios appeared to be understood reasonably well but often there was no explanation of the reason eg “to compare current performance with previous years” might have been given, but to get the mark the candidate would have needed to say something like “in order to see if corrective action should be taken”.

Advice to centres for preparation of future candidates

General

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 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 but the link between the two points must be clear.

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.

Concern has been expressed by markers about the poor standard of handwriting in many cases. Marks cannot be awarded when the words cannot be read.

Word-processed scripts should be printed in double line spacing with an appropriate font. It would also be useful to number the pages and clearly indicate the end of the text. Some centres ask candidates to sign the end of the page to indicate that they have finished. This would also be good practice when handwriting a script.

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 2 carefully before deciding on 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 them select which two questions they can handle best.

Statistical information: update on Courses

Number of resulted entries in 2013	7299
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Number of resulted entries in 2014	7853
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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	32.3%	32.3%	2540	72
B	24.2%	56.6%	1901	61
C	19.4%	75.9%	1523	51
D	7.6%	83.5%	593	46
No award	16.5%	-	1296	-

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.