



## External Assessment Report 2012

Subject(s)	Business Management
Level(s)	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 similar standard to last year.

Some candidates showed poor understanding of the command words 'explain', 'distinguish' and 'compare', and consequently lost marks. In particular, these candidates:

- ◆ Merely 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.
- ◆ Where asked to 'distinguish' or 'compare', failed to make contrasting or comparative statements. A statement such as 'A' is 'this' whereas 'B' is 'that' can only gain one mark — many candidates seemed to think it could gain 2 marks. Examples of acceptable statements, for relevant 2012 questions, are given below in the section 'Areas which candidates found demanding'.

Many candidates used bullet points when answering questions. Bullet points are perfectly acceptable. However there is a danger that answers using bullet points are only really 'notes' and therefore not sufficiently detailed to gain credit where the command word requires something more expansive to be provided in the answer.

Some candidates showed poor understanding of certain business terms.

## Areas in which candidates performed well

- ◆ cash flow
- ◆ delegation
- ◆ flexitime
- ◆ formal appraisal
- ◆ ICT
- ◆ industrial action
- ◆ internal recruitment
- ◆ just-in-time production
- ◆ market segmentation methods
- ◆ motivation
- ◆ payment systems
- ◆ product life extension strategies
- ◆ recruitment documents
- ◆ stakeholders

- ◆ stock levels
- ◆ trade unions
- ◆ types of decision

The relevant questions were:

### **Section 1**

Q1: Most candidates knew how to identify stakeholders and describe how they would be affected.

Q6: Most candidates knew how to describe the roles of trade unions.

### **Section 2**

Q1 (a) (i): Most candidates knew how to describe flexitime.

Q1 (c): Most candidates knew how to identify causes of cash-flow problems.

Q2 (a): Most candidates knew how to describe the costs and benefits of using ICT.

Q2 (b) (i): Most candidates knew how to identify types of industrial action.

Q2 (c) (i): Most candidates knew how to define just-in-time production.

Q3 (a): Most candidates knew how to identify and describe stock levels.

Q3 (b) (ii): Most candidates knew how to suggest three ways an organisation could segment its market.

Q3 (d) (i): Most candidates knew how to explain the advantages and disadvantages of recruiting internally.

Q4 (a): Most candidates knew how to identify and describe employment payment systems.

Q4 (b) (ii): Most candidates knew how to give examples of operational and tactical decisions.

Q4 (c) (ii): Most candidates knew how to describe four ways of extending the life of a product.

Q5 (a) (i): Most candidates knew how to identify four different types of ICT used by a HR department.

Q5 (b) (i): Most candidates knew how to define the terms delegation and motivation.

Q5 (d): Most candidates knew how to identify and describe documents used by the HR department in recruitment and selection.

## Areas which candidates found demanding

- ◆ accounting ratios
- ◆ information legislation
- ◆ direct selling
- ◆ outsourcing
- ◆ decision making techniques
- ◆ public sector organisations
- ◆ quantitative and qualitative information
- ◆ internal factors
- ◆ certain explain questions
- ◆ certain compare questions
- ◆ certain distinguish questions

The relevant questions were:

### Section 1

Q2: Very few candidates could describe accounting ratios. A formula would have been sufficient to gain a mark.

Q4 (a): Most candidates could identify the Data Protection Act but only a few could identify another act.

Q4 (b): Most candidates could not describe 4 features of information legislation.

Q5: Whilst most candidates knew two pricing methods, many were unable to effectively compare them. Choosing clearly contrasting methods (eg skimming and destroyer) resulted in higher marks, but choosing more similar methods (eg penetration and destroyer) made it very difficult to gain more than one mark.

### Section 2

Q1 (b): Few candidates could describe methods of direct selling other than internet selling.

Q1 (d) (i): Whilst most candidates appeared to know the terms 'merger' and 'takeover', they had difficulty in distinguishing between them clearly enough to gain two marks. It was not clear if all candidates realised that, to gain two marks, two areas of distinction had to be identified, eg a statement such as 'mergers are friendly whereas takeovers are hostile' gains only one mark.

Q1 (e) (ii): Some candidates did not understand the term 'outsourcing'.

Q2 (e): Some candidates failed to relate the examples they gave to the Operations department.

Q3 (e) (ii): Many candidates had difficulty describing the limitations of accounting ratios.

Q4 (d) (i and ii): Many candidates did not clearly understand the terms 'qualitative information' and 'quantitative information'. Those who did understand had no difficulties gaining the marks for examples, but the others struggled to gain any marks for examples.

Q4 (e): Most candidates knew the benefits of growth but struggled to actually **explain** how these were a benefit. For example, many candidates wrote 'growth means the brand becomes better known'. This is not enough to gain a mark. It needs to be followed by something like 'and this makes it easier to create brand loyalty' to gain a mark. Another way of writing this could have been 'growth makes it easier to get brand loyalty **because** the brand is better known'. If they had written 'growth means the brand becomes better known and this makes it easier to create brand loyalty and bring out new products', two marks would have been awarded.

Q5 (b) (ii): Few candidates could describe any decision-making techniques. Many described types of decision (strategic/tactical/operational) but this gained no marks.

Q5 (c) (i): Many candidates did not understand the term 'internal factors' and answered as if it meant internal recruitment.

Q5 (c) (ii): Some candidates did not know the difference between de-layering and downsizing. Many candidates, whilst able to describe the advantages of de-layering, were unable to explain why an advantage accrued. For example, 'faster communication from the top to the bottom' is not enough, but add on 'because there are fewer layers of management between' and the explain mark is gained.

## **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 prescriptive 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. Although it will normally

be possible to gain marks for demonstrated knowledge, full marks cannot be awarded unless the question has been fully addressed, ie by addressing the command in the question.

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 being submitted these must be in double-line spacing, and with a right margin of (approximately) 4cm. If this is not possible 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 2011	3732
------------------------------------	------

Number of resulted entries in 2012	3644
------------------------------------	------

## 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	31.7%	31.7%	1154	49
B	24.6%	56.2%	895	41
C	22.6%	78.8%	822	33
D	7.1%	85.9%	258	29
No award	14.1%	100.0%	515	-

## 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.