



## External Assessment Report 2014

Subject(s)	Business Management
Level(s)	Intermediate 2

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

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:

- ◆ Only described when the question asked them to explain; the candidate needs 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 — some candidates seemed to think it could gain two marks and so failed to make enough statements to gain full marks.

Some candidates showed poor understanding of certain business terms.

## Areas in which candidates performed well

- ◆ role of finance department
- ◆ staff motivation
- ◆ methods of advertising
- ◆ objectives of a private sector organisation
- ◆ factors of production
- ◆ users of financial information
- ◆ recruitment
- ◆ types of ICT
- ◆ tall/flat structures
- ◆ contract of employment
- ◆ Equality Act
- ◆ decision making factors

The relevant questions were:

### Section 1

Question 6: Most candidates knew how to outline the role of the Finance department in an organisation.

Question 7: Most candidates knew how to identify three ways an organisation can motivate its staff.

### Section 2

Question 1(b)(i): Most candidates knew how to identify three methods of advertising.

Question 1(d)(ii): Most candidates knew how to outline two objectives of a private sector organisation.

Question 2(a): Most candidates knew how to name and describe three factors of production other than enterprise.

Question 2(e)(i) and (ii): Most candidates knew how to identify three users of financial information and describe how each would use this information.

Question 3(a)(i): Most candidates knew how to identify and describe three stages of the recruitment process.

Question 3(a)(ii): Most candidates knew how to describe the advantages of recruiting internally and externally.

Question 3(b)(i): Most candidates knew how to identify three types of ICT that could be used in an Operations department.

Question 3(c)(i): Most candidates knew how to distinguish between a tall and a flat organisational structure.

Question 3(d): Most candidates knew how to define the three stages (input/process/output) of an operating system.

Question 5(a)(ii): Most candidates knew how to identify two items that could appear in a contract of employment.

Question 5(a)(iii): Most candidates knew how to outline features of the Equality Act.

Question 5(c)(i): Most candidates knew how to identify two internal factors that an organisation should consider when making decisions.

## **Areas which candidates found demanding**

- ◆ centralised decision making
- ◆ sampling
- ◆ data/information
- ◆ explaining choice of supplier factors
- ◆ accounting ratios
- ◆ channel of distribution
- ◆ uses of ICT
- ◆ Works Councils
- ◆ multinational organisations

The relevant questions were:

### **Section 1**

Question 3: Many candidates did not understand the term 'centralised decision making structure'. Many did not attempt the question, and many of those who did confused the term with 'decentralised decision making' or with 'centralised department'.

Question 4: Many candidates did not attempt this question.

### **Section 2**

Question 1(c): Many candidates were unable to distinguish between data and information.

Question 1(e): Few candidates were able to explain why the named factors should be considered when choosing a supplier.

Question 1(f)(ii): Few candidates were able to describe accounting ratios adequately. Many mistakenly stated that the GP% ratio showed the profit that an organisation made (when they should have stated the profit on each sale). Similarly with the NP%.

Question 2(c): Many candidates confused the term *channel of distribution* with the physical distribution of goods.

Question 3(b)(ii): Many candidates did not relate the uses of ICT to the Operations department.

Question 4(b): Few candidates outlined the role of Works Councils.

Question 4(d): Few candidates were able to describe the advantages and disadvantages of being a multinational organisation. Many assumed, incorrectly, that multinational organisations are necessarily large.

## **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 to the best ways to answer 'explain', 'distinguish' or 'compare' questions.
- ◆ Candidates must take care to read the questions properly.
- ◆ Candidates should be properly prepared by having the opportunity to practise past papers.
- ◆ When typed scripts are being submitted, these are best done in double-line spacing, and with a right margin of (approximately) 4cm.

## Statistical information: update on Courses

Number of resulted entries in 2013	4042
Number of resulted entries in 2014	2450

## 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	25.0%	25.0%	612	52
B	24.5%	49.5%	600	44
C	22.2%	71.7%	545	37
D	10.8%	82.5%	265	33
No award	17.5%	-	428	-

## 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.