



## External Assessment Report 2011

Subject	<b>Business Management</b>
Level	<b>Advanced Higher</b>

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

Performance across the examination and the Business Report in 2011 was poorer than in 2010, although better than in the preceding two years. Therefore there was a decline in the number of candidates attaining grades A–C as compared with last year. This may be partly explained by the lower average standard of this year's candidature, based on comparison of the results at Higher level of the 2011 cohort with those of the 2010 one. Interestingly, centre estimates were considerably higher than in 2010, with centres estimating a 66.1% A-C rate this year as compared to 62% last year. As a result the discrepancy between centre estimates and actual performance grew from –10% to –17%. Centres expected over 10% of their candidates to achieve grade A. This is an unusually high figure compared to estimates for this subject in previous years: the equivalent figures for 2010 and 2009 were 3.6% and 5.6% respectively. A possible explanation is that more centres are now basing their estimates on their evaluation of the Business Report as well as performance in the preliminary examination, and have overestimated the marks for the former.

## The Business Report: general comments

Unfortunately, there was a significant drop in the overall standard of reports this year. As happened last year, two centres failed to include the Researching a Business NAB along with the Business Report in their submissions, and a few centres produced reports with a layout that indicated a lack of knowledge of the requirements. This is disappointing as the detailed marking scheme on SQA's website is readily available and has remained unchanged for several years.

Failure to justify findings in the report owing to lack of research evidence was a significant problem this year, with many candidates providing no real evidence for their assertions. Several submissions included large appendices which were either irrelevant or not used to support statements made.

Confusion about what is required in Sections 1d and 2a has lessened since the guidance was revised several years ago but sometimes still occurs — centres need to make sure they are using the current version available on SQA's website.

## Areas in which candidates performed well

Candidates from several centres had clearly been appropriately advised and guided to produce well-structured reports which more than met the criteria. Those who followed the marking scheme/guidance closely gained clear passes, and often did very much better than this, as they had a solid basis for their report.

## **Areas which candidates found demanding**

The strategy is the foundation of the report, and it is essential that candidates fully understand what it is from the outset. If candidates had a clear strategy, their responses tended to be better focused than in previous years.

However, a number of candidates were unclear about what their organisation's strategy actually was, and several confused strategies with objectives.

Performance in the Explanation and Analysis section was better than in the Evaluation section, although candidates continue to confuse internal and external SWOT factors, eg describing the possession of a room which could be converted into a stock room as an opportunity. The lack of sufficient evidence for assertions led to much lower marks being scored in Section B than in other sections. In part (b) of that section many candidates failed to link the sources of information used to the effective development of the strategy.

## **Advice to centres for preparation of future candidates**

Much of the advice from past reports bears repeating. Candidates should follow closely the report marking guidelines on SQA's website when preparing their reports.

Centres should ensure that they visit the Advanced Higher Business Management section of SQA's website at least once a year for guidance to ensure that they are aware of the current requirements.

The size of the organisation chosen for research is much less important than whether the candidate is able to understand, analyse, explain and evaluate its strategy effectively. Candidates must ensure that they fully understand what the strategy is and why it is appropriate.

Candidates should be aware that no marks will be awarded for strategies or parts of strategies already fully in place prior to starting to prepare their report.

If the strategy is not clearly stated in the first section, the potential for scoring marks further on is severely limited. To aid focus, candidates are advised to use the strategy as the title of their report and enter it on the front page.

The strategy should be about doing something specific. It must be clearly defined, for example, 'develop a web presence', 'open a new branch' or 'add a new product'.

The report requires analysis and evaluation of a single strategy. While discussion of more than one strategy will not be credited, occasionally a candidate's single strategy may have several component parts which will score marks providing it is clear that they are part of one overall strategy. An example of such a strategy might be: 'to change the physical appearance of the business by redecorating the premises to create a more attractive appearance and refurbishing them by introducing new fixtures and fittings'.

In Sections 1b, 1c and 2c, a reason should be given for adding any 'new' objective/SWOT factor or stakeholder (ie one that does not feature in the Researching a Business NAB

Report). Marks will not be awarded for simply appending a list without explanation of the reason for the change.

In Section 1c, candidates should understand that the sections on 'opportunities' and 'threats' in SWOT analysis refer to external factors, not internal ones. Competitors should not be viewed as stakeholders.

In Section 2b, candidates are required to make explicit links between the information gathered and the formulation of the strategy. For example, questionnaire results showing that 50% of respondents do not visit a local play centre because there is nowhere for the mums to sit should influence the formation of a strategy of adding a coffee bar. No marks are awarded for general points about the usefulness or validity of information unconnected to forming the strategy.

In Section 2c, candidates need to ensure that they link stakeholders explicitly to the ways in which the strategy will affect them.

Adequate evidence is vital to the validity of the final report. Some of this will have been gathered for the Researching a Business NAB but this provides background information only. Additional information is essential to inform discussion of the strategy, its effects, and its likelihood of success. A single interview with the owner or manager is not adequate evidence on its own. If a questionnaire has been used then some sort of analysis of results, including numbers surveyed, is required.

Evidence of assertions made should be attached as appendices, but candidates should note that only evidence which has actually been used should be included.

The use of footnotes to indicate where evidence is to be found is helpful. If a lengthy document is referred to, footnotes should indicate the relevant page number of the supporting evidence.

Scripts should be presented in double-line spacing with size 12 font and wide margins.

The use of folders and/or insertion of individual pages in clear plastic pockets complicate the marking task — sheets should be stapled together or presented in a slide binder.

## **The Examination: general comments**

Candidates were in general well-prepared as regards examination technique. More candidates than last year developed their points, gaining more marks as a result.

It was evident that a significant number of candidates had revised inadequately for the examination, leading to very low marks in Section Two which did not always compensate for good marks in Section One.

## **Areas in which candidates performed well**

Section One: Performance improved this year. Candidates in general had clearly been well trained, and were aware of the need to get to grips with the Case Study material and offer answers based on it rather than general theoretical points.

Question 3: Several candidates made extensive use of the financial information provided in Exhibit 4; in previous years candidates have been reluctant to do this.

Section 2: Questions 8 and 9 proved to be the most popular and most candidates demonstrated good knowledge of the relevant theory.

## **Areas which candidates found demanding**

Question 4: Several candidates struggled to explain the particular benefits of ProStrakan's specialisation in a niche market, instead making points about division of labour in general.

Question 7: Candidates produced good force field diagrams and explanations of drivers and resistors, but conclusions drawn from the analysis were weak; consequently only a handful scored more than 7/10.

Question 8 (a): Many candidates wrote at length about the theories of the Human Relations School of Management but relatively few managed to relate it to modern management.

Question 10 (b): Some candidates confused European Monetary Union with the Single European Market.

Question 11: The least popular question; knowledge of fiscal and monetary policy in answer to part (b) was often weak.

A few candidates failed to finish the paper in the allocated time.

## **Advice to centres for preparation of future candidates**

This year's good use of the financial information was very welcome; discussion of financial exhibits from past papers in class could help to extend this trend in future years.

Candidates should be trained in how to draw conclusions from a force field analysis.

Candidates should be advised to read each question in Section Two carefully before choosing which ones to answer, taking note of what is actually being asked, and tailor their answers accordingly.

Whilst some marks are available for writing about theoretical knowledge in answer to Section Two questions, it is vital that candidates are aware of the need to apply that knowledge in the specific context of the question in order to score high marks. They need to develop the ability to recognise the difference between developing answers effectively and repeating the same points in different words.

Typed scripts should be presented in size 12 font and double-line spacing.

Teachers are clearly committed to taking all necessary steps to develop their expertise and there has been a clear indication of improvement in standards following attendance at Professional Development Workshops (PDWs). PDWs for the Report and the Examination were held in 2008 and 2010 respectively, and in both cases marks for the element in question rose at the subsequent examination: by 10% in the case of the Report, and 5% in the case of the examination. However, given that 17.2% of this year's centres were presenting for the first time and 13.4% were returning after a gap of one or more years, it is possible that there has been difficulty in retaining the information given at such events and disseminating it more widely. Centres are therefore strongly advised to send a representative to the PDW, which will deal with both elements, to be held in October this year.

## Statistical information: update on Courses

Number of resulted entries in 2010	224
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Number of resulted entries in 2011	197
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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	3.6%	3.6%	7	105
B	17.3%	20.8%	34	90
C	28.4%	49.2%	56	75
D	18.8%	68.0%	37	67
No award	32.0%	100.0%	63	—

## **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, therefore, SQA 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 Head of Service 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.