



## External Assessment Report 2011

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

The number of presentations rose this year from 6,557 to 6,932 candidates. The percentage of candidates gaining grade A–C was 63.6% which is down from 66.4% in 2010. There appeared to be a slightly weaker cohort of candidates in 2011 and evidence of candidates being presented at the wrong level.

## Areas in which candidates performed well

Section 1 Question 1: Most candidates knew how to identify the problems under the appropriate heading. In this year's case study there were several problems which were acceptable under more than one heading. These are only credited once.

It is evident that centres are preparing candidates to handle the command words. This is an area which has improved greatly although there are still some difficulties with Explain, Compare and Distinguish.

## Areas which candidates found demanding

When tackling Compare and Distinguish questions, some candidates wrote two lists. This proves difficult to mark as it is necessary to 'match up' different parts of the answer. A stronger candidate will distinguish or compare points within the same sentence and in order to reward a candidate who is handling the question appropriately, **only this method will be credited in the future.**

Specific question issues are detailed below:

Section 1 Question 2: Many candidates failed to describe the method used to encourage positive employee relations; instead they either identified the method or gave the effect. For example, a candidate who said: 'Using an appraisal system. This is when employees and managers meet to discover promotion pathways and training needs' was credited with a mark. However, 'involving the employees in decision making makes the employee feel valued' is an effect and therefore was not credited.

Section 1 Question 3: Candidates found it difficult to describe financial information. Many gave uses of information. An acceptable answer was 'a Balance Sheet shows the value of a business at a particular point in time' or 'the Balance Sheet shows the Fixed Assets, Current Assets and Current Liabilities'.

Section 1 Question 4: Some candidates identified an appropriate market research technique, eg 'telephone survey' and then gave a description of something else. Care should be taken to make sure the description and justification actually match the technique stated.

Section 1 Question 5: Candidates must be careful to explain the effect of delayering and not just describe the term 'delayering'. One answer which was accepted was 'you remove a

layer of management to flatten out the structure. By doing this you will save on money as you do not have to employ those staff any more.’ The second sentence explains the **effect** of removing the layer of management.

Section 1 Question 6 (a): This proved to be a difficult question for 2 marks. Only those candidates with technical knowledge managed to achieve full marks.

Section 1 Question 6 (b): A large number of candidates were unable to recognise types of information, describing and justifying sources instead. This is clearly highlighted in textbooks and is in fact tested in one of the internal assessments. Candidates should take care to read the question very carefully.

Section 1 Question 7: Many candidates described quality assurance and control measures as opposed to quality standards. Despite having been tested in the past, candidates displayed poor knowledge of the term. Both positive and negative points were acceptable here but full marks could have been achieved by tackling positive points or negative points only.

Section 2 Question 1 (a): Most candidates knew the difference between strategic and tactical decisions but wrote two separate paragraphs describing firstly strategic decisions and secondly tactical decisions. The Marker did match these points up and credit them but a much better answer would be ‘strategic decisions are long-term decisions whereas tactical decisions are medium term’.

Section 2 Question 1 (b): In order to gain marks the advantage of training had to be explained. Therefore it was necessary to give an answer such as ‘waste will be reduced if the employee knows what to do as they won’t be making as many mistakes’.

Section 2 Question 1 (c): Many candidates failed to recognise this as a question about the role of the manager and simply described staff appraisal or, at best, made some reference to motivation.

Section 2 Question 1 (e) (i): When explaining the effect of a political factor some candidates gave three legislation points. This was only credited once as there was an expectation to mention alternative political factors such as taxation rates or Government funding.

Section 2 Question 2 (b): Some candidates only listed the use of an accounting ratio as opposed to explaining the reason for their use. An example of a suitably explained answer is ‘it allows managers to compare performance to that of previous years and this allows them to see if they are progressing’.

Section 2 Question 2 (c): Some candidates failed to describe the features of the Data Protection Act and simply listed them. For example, a candidate who stated ‘the information must be accurate’ was not describing the feature — it would have been necessary, for example, to add ‘which contains no errors’.

Section 2 Question 3 (b)(i): This question was poorly done. Candidates appeared to have little knowledge of recent trends in retailing. An acceptable answer was ‘the growth of

supermarkets which now stock all different items has deterred consumers from shopping in different shops for different things’.

Section 2 Question 3 (d)(ii): As stated earlier, candidates in the future will be required to make a clear distinction between the points being made, instead of randomly listing points about centralised and decentralised structures separately. An example of an answer which was awarded a mark was ‘Centralised structures contain few opportunities for employees using initiative whilst decentralised thrives and encourages it’.

Section 2 Question 4 (a): Again many candidates listed the use of functional grouping separately from product grouping. In order to make a comparison, candidates should link the two parts of their answer.

Section 2 Question 4 (d)(i): Some candidates again gave a form of testing, eg ‘attainment’ and then followed it with an incorrect description and justification. Neither were credited.

Section 2 Question 5 (a): Many candidates were unable to explain the benefits of ICT in depth. It is necessary to make a statement about ICT and then go on to explain exactly why it is a benefit.

Section 2 Question 5 (b): Candidates appear to find corporate culture a difficult area. Care should be taken when reading questions as they were being asked to describe factors an organisation should consider when trying to encourage a positive corporate culture — as opposed to describing corporate culture itself.

Section 2 Question 5 (d): Candidates need to recognise that a cash budget is a plan and not a historical financial statement.

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

### **General**

Centres should continue to make candidates aware of the command words, particularly Distinguish and Compare. Advice is available in SQA marking instructions and the Understanding Standards website which will be updated during the latter part of 2011.

Candidates should be made aware of the need to read questions very carefully. There was evidence that candidates had practised past paper questions, giving similar answers in the 2011 paper which unfortunately did not answer the actual question being asked.

There was a lot of poor handwriting this year. Candidates must be made aware that if Markers have difficulty in reading the script, they may be penalised. If handwriting cannot be read by a Marker or Examiner then the marks cannot be awarded.

Wordprocessed scripts should be printed in double-line spacing with an appropriate font being used and a wide right margin. It would also be useful to number the pages and indicate the end of the text.

Candidates should be encouraged to read all the questions in Section 2 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 off the areas which they find difficult and those they feel comfortable with. This will help to indicate which questions they can handle best.

## Statistical information: update on Courses

Number of resulted entries in 2010	6,514
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Number of resulted entries in 2011	6,932
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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	14.2%	14.2%	981	68
B	22.1%	36.2%	1,529	58
C	27.4%	63.6%	1,898	48
D	11.9%	75.4%	822	43
No award	24.6%	100.0%	1,702	-

## **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.