



External Assessment Report 2011

Subject	Business Management
Level	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 slightly lower standard than last year. In particular, proportionately fewer candidates scored high marks.

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
- ◆ when 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 2011 questions, are given below in the section, 'Areas which candidates found demanding'.

Some candidates answered questions they expected (or wanted) to see rather than the questions actually asked and consequently gained little or no credit. This was most obvious in questions similar to past paper questions but with a different command word.

Some candidates showed poor understanding of certain business terms.

Areas in which candidates performed well

Candidates performed well in these areas:

- ◆ channels of distribution
- ◆ choosing a supplier
- ◆ factors of production
- ◆ ICT health and safety
- ◆ legislation
- ◆ product life cycle
- ◆ role of entrepreneur
- ◆ role of Marketing Department
- ◆ sources of finance
- ◆ types of decision
- ◆ types of employment

The specific relevant questions were:

Section 1

Question 1: Most candidates knew how to describe the role of an entrepreneur.

Question 7: Most candidates knew how to describe temporary and part-time employment.

Section 2

Question 1 (a): Most candidates knew how to identify and describe factors of production.

Question 1 (e): Most candidates knew how to identify and describe three stages of the product life cycle.

Question 2 (a)(i): Most candidates knew how to identify two sources of finance for expansion.

Question 2 (b)(i): Most candidates knew how to describe the role of the Marketing Department.

Question 2 (d)(i): Most candidates knew how to describe factors to consider when choosing a supplier.

Question 3 (a)(i): Most candidates knew how to identify ICT health and safety issues.

Question 3 (a)(ii): Most candidates knew how to outline ways of overcoming these ICT issues.

Question 3 (a)(iii): Most candidates knew how to name and describe two other pieces of legislation.

Question 4 (a)(i): Most candidates knew how to describe three channels of distribution.

Question 5 (d): Most candidates knew how to describe the three types of management decision.

Areas which candidates found demanding

Candidates found these areas demanding:

- ◆ bluetooth
- ◆ cash budget
- ◆ decentralised decision making
- ◆ describing a conflict
- ◆ downsizing
- ◆ 'explain' questions
- ◆ financial journalists
- ◆ financial statements
- ◆ sampling
- ◆ types of information

The specific relevant questions were:

Section 1

Question 5: Many candidates confused *downsizing* with *delaying*. As a result any advantage described as arising from less layers of management gained no marks.

Question 6: Some candidates think that a cash budget shows an organisation's profit (or loss) rather than purely cash flow information.

Section 2

Question 1 (b): When describing a conflict it is necessary to give details of **both** sides of the conflict to be given credit, eg *employees want a pay rise but managers don't want to give it* is too weak to gain a mark; however a mark would have been awarded if the candidate had written *employees want a pay rise but managers want to keep costs down*.

Question 1 (c): Many candidates confused *types of information* with *sources of information*.

Question 1 (d)(i): Many candidates failed to *explain* properly and only described advantages and disadvantages of functional grouping. A good answer will identify an advantage/disadvantage and then explain why this would result in an advantage/disadvantage, eg *staff get to specialise in particular tasks and so they produce better quality work*.

Question 2 (a)(ii): Most candidates failed to *explain* and only described advantages and disadvantages of sources of finance.

Question 2 (b)(ii): Very few candidates had any idea as to what *sampling* is, as used in the Marketing Department, and either missed the question out or wrote about quality control or test marketing.

Question 2 (c): Few candidates were able to outline ways of using Bluetooth.

Question 2 (d)(ii): Most candidates failed to *explain* and only described possible problems of understocking.

Question 3 (b): Few candidates were able to describe how financial journalists might use financial information. Some candidates ignored the word *financial* in the question and only described uses of non-financial information.

Question 3 (c)(ii): Many candidates did not attempt to answer this question, presumably because they did not understand the term *decentralised decision making*. Some candidates did not make clear which managers (branch or head office) they were referring to and may have lost marks as a result.

Question 3 (d): Whilst most candidates were able to identify external factors, many could not *explain* their effects on an organisation, eg *competition where a new firm sets up nearby* is too weak to gain a mark but *competition where a new firm sets up nearby resulting in a fall in sales* has explained the effect and so gets a mark.

Question 4 (c): Some candidates simply described the sorts of tasks carried out in the departments and made no attempt to relate these tasks to the Marketing Department.

Question 5 (a): Few candidates were able to describe advice given by Local Business Owners or the Inland Revenue.

Question 5 (b)(i): Most candidates were able to describe advantages/disadvantages to an organisation of training staff but few explained why they were advantages/disadvantages.

Question 5 (c)(i): Few candidates were able to give good enough descriptions of the financial statements to gain many marks.

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.

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.

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 are best done in double-line spacing, and with a right margin of (approximately) 4 cm.

Statistical information: update on Courses

Intermediate 2

Number of resulted entries in 2010	3,663
------------------------------------	-------

Number of resulted entries in 2011	3,732
------------------------------------	-------

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	27.6%	27.6%	1,031	49
B	29.6%	57.2%	1,105	41
C	21.3%	78.6%	796	34
D	8.1%	86.7%	302	30
No award	13.3%	100.0%	498	—

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.