



External Assessment Report 2010

Subject	Business Management
Level	Higher

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 6,333 to 6,557 candidates. The percentage pass rate was 66.4%, which is down from 72.4% in 2009, when there was a stronger cohort. There is still evidence of candidates being presented at the wrong level.

Areas in which candidates performed well

Most candidates performed well in Section 1, Question 1.

It is evident that candidates are generally handling the command words well. This is an area which has improved considerably over the past few years.

Areas which candidates found demanding

Although it did not result in a loss of marks, some candidates tended to write excessively when handling the command word 'describe'. The command words 'compare' and 'distinguish' caused most difficulty. Examples of good answers using these command words are given later.

When candidates chose to write using bullet points, they did not always address the command word appropriately when they listed one point after another.

Specific question issues are detailed below.

Section 1

Question 2 (a)

Candidates found it difficult to link the role of the human resource department to employee relations. In order to gain marks, if a candidate mentioned that HR were responsible for organising training or making sure staff are paid appropriately, these points had to be clearly linked to employee relations.

For example, a candidate who stated: 'The human resource department ensures that employees are treated fairly at work,' has no link to employee relations and therefore received no marks.

A better answer, which was given a mark, was: 'They also use ACAS or trade unions to interfere when employees aren't happy. They suggest solutions to both employee and employer and help negotiate the terms till they find an amicable solution.'

Question 3

Many candidates confused customer grouping with a single target market.

Question 4

If the decision making model was listed as a factor which would result in a quality decision being made, it was necessary to develop the point in order to gain a mark.

Question 6

Some candidates did not know what was meant by a 'mission statement' and found the question quite challenging as they were unable to explain the reasons for their use.

Question 7 (a)

Candidates were asked to compare the objectives of a private sector organisation with those of a public sector organisation. If the candidate took the approach of listing the objectives of each type of organisation separately, they were credited with the marks if the objectives were matched up, regardless of not being linked together in the same or following sentence. However, better answers were evident in which the candidate clearly compared the objectives, as in the following example:

'A public sector organisation would aim to stay within a budget, and not to overspend what the government had given them. A private sector organisation would want to make as much profit as possible to try and survive.'

Question 7 (b)

Candidates should be aware that if they correctly describe the interest of an employee, it is then necessary to give a 'managerial' interest as opposed to a second employee interest.

'Inland Revenue' and 'national government' were not given separate marks, Inland Revenue being a department of the national government.

Question 8

Candidates showed very poor knowledge of a matrix structure.

Section 2

Question 1 (c)

As the command word used in the question was 'describe', candidates received no marks if they simply listed the characteristics of high quality information.

Question 1 (d)

Many candidates found this question difficult due to the command word 'explain' being used. An example of an answer gaining a mark is:

'Finance also allows financial statements to be produced, which allows the organisation to check what they have been purchasing and earning over the last financial year.'

However, one which would have been better if it had been further developed was:

'They also ensure the organisation has enough money to pay off debts.'

Question 1 (e)

There was some evidence of candidates confusing channels of distribution with physical methods of distribution, despite the latter being tested in Question 3.

Question 2 (a)

Many candidates simply gave the uses of ICT as opposed to the effects. For example: 'ICT allows a business to communicate within and outside a business,' does not show the effect of ICT, whereas, 'The effects of ICT on an organisation include the need for better trained staff with greater ICT knowledge,' actually shows the effect on the organisation.

A few candidates made reference to the saving of floor space. Although granted the mark, it was felt this was quite a weak answer at this level.

Question 2 (c)

Candidates should take care not to describe an appraisal interview as part of the answer, as opposed to describing an action which could be taken to help improve the employee's performance. For example:

'Notify the staff member in a positive way and try to motivate them to perform better,' is insufficient — the candidate would need to go on to describe a method of motivating the employee.

Question 2 (d)

If the candidate mentioned the use of assessment centres, it was necessary to differentiate this from testing if this also was mentioned.

Question 2 (e)

Candidates appeared to find this question challenging. Either they did not know what a multinational is, or they had difficulty explaining why the points they did make were advantages or disadvantages. Many also just gave the advantages and disadvantages of operating on a large scale, as opposed to operating in many countries.

Question 3 (a)

There is definite confusion between market research and research and development. Candidates taking the market research approach were only able to gain one mark.

Question 3 (d)

Candidates did not always make it clear which method of physical distribution they were referring to. It is not essential to name the method, but it had to be obvious whether it was road, rail, or air, for example. Wrong information attached to a correct method would not be credited.

Question 4 (b)(i)

Most candidates are receiving marks for simply giving the formulae. There were examples of better answers for this question. For example:

'They could use the current ratio, which shows if you have enough current assets to use to pay for your current liabilities.'

Question 4 (b)(ii)

Some difficulties with the command word 'explain' were evident here. For example, a candidate who said: 'Information is always historical,' would have had to say why historical information is a limitation.

Question 4 (d)

Some candidates failed to link the use of ICT to decision making, only describing the use of ICT. For example, a candidate gained a mark for stating:

'Video conferencing can be used if some employees are away somewhere doing work, so this will help speed up decision making as they will not have to wait until they come back.'

Credit was not given to candidates who said that ICT would make decisions easier to make. It was felt that 'easier' and 'quicker' were not strong enough at Higher level.

Question 5 (b)(i)

Corporate culture proved to be an area of difficulty for many candidates.

Question 5 (b)(ii)

If the candidate understood the meaning of the term 'corporate culture', they were able to give some good answers to this question. For example:

'Having a strong corporate culture will improve staff loyalty to the organisation, so a lower staff turnover can be expected,' or:

'Employees know what is expected of them whilst representing the organisation. They know that if they do a negative thing it could influence a customer not to buy from the organisation. This is an advantage, as employees will always be on the ball and have a good attitude towards their job.'

Question 5 (c)

The command word 'distinguish' caused some difficulties. Candidates often described job production in a paragraph and then went on to describe flow production. This was credited if the points could be matched up. An example of a better answer, however, was:

'Job production means a product is made by employees by hand, but flow production means a product goes through a series of automated processes to produce the final product.'

Question 5 (d)

Candidates were required to describe forms of advertising media. 'Advertising on TV' was seen to be insufficient. Examples of better descriptions were:

'TV channels play adverts during the break,' and:

'A magazine can be used to advertise a product where visual aids can be in the form of writing or pictures.'

Advice to centres for preparation of future candidates

Centres should continue to make candidates aware of the command words. It is evident that many candidates are being taught how to handle these appropriately and are therefore being rewarded with marks. Reference can be made to the marking instructions on the SQA website and the Understanding Standards website.

Candidates should be careful when using bullet points. Depth is required to address the command words, except when 'outline' and 'identify' are used. Some candidates split an 'explain' answer into two bullet points. Provided the second bullet point clearly related to the first, the candidate was credited with the mark.

As an increasing amount of candidates are word processing answers, it would be advisable to print in double line spacing and use an appropriate font.

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 making a choice.

Statistical information: update on Courses

Number of resulted entries in 2009	6302
Number of resulted entries in 2010	6514

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	15.3%	15.3%	995	70
B	22.1%	37.4%	1442	60
C	29.1%	66.5%	1898	50
D	10.9%	77.5%	712	45
No award	22.5%	100.0%	1467	—

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.