



External Assessment Report 2010

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 similar standard to last year.

The majority of candidates from most centres showed an understanding of the command words used in the questions. However, some candidates showed poor understanding of the command words 'explain', 'distinguish' and 'compare', and consequently lost marks. In particular, these candidates:

- ◆ only identified when asked to describe
- ◆ only described when asked to explain; the Examiner needs to know how or why the factor identified is an advantage or a disadvantage, or its possible impact on an organisation
- ◆ failed to make contrasting or comparative statements when asked to distinguish or compare; statement such as 'A is this whereas B is that' can only gain one mark. Examples of acceptable statements are given below for relevant 2010 questions.

Some candidates answered questions they expected (or wanted) to see, not the question actually asked.

There were some areas in the 2010 paper (eg multinationals, informal structures) that had not been previously or recently examined. These are covered by the Arrangements but were badly answered.

Areas in which candidates performed well

Most candidates demonstrated a particularly good understanding of the following areas:

- ◆ decision making model stages
- ◆ decision types
- ◆ external factors
- ◆ industrial action forms
- ◆ ICT uses
- ◆ motivating employees
- ◆ overstocking problems

Areas which candidates found demanding

- ◆ accounting ratios
- ◆ capital/labour intensive
- ◆ downsizing
- ◆ field research methods
- ◆ informal structures

- ◆ line and lateral relationships
- ◆ multinational companies
- ◆ organisational structures
- ◆ product-/market-led organisations (especially examples)
- ◆ public limited companies — advantages
- ◆ public limited companies — control
- ◆ selection methods
- ◆ sources of information

In addition to the points raised above, some candidates had particular difficulties with the following questions:

Section 1

- ◆ Question 1 — some candidates thought that Bairds would have to close down while the new factory was being built. This is not in the text, and arguments based on this gained no credit.
- ◆ Question 2 (a) — an ‘explain’ question. Many candidates only described a threat and failed to explain its possible impact on Bairds. The same was the case with the strength.
- ◆ Question 2 (b) — many candidates wrote about cash inflows, which gained no credit as the question concerned cash outflows.
- ◆ Question 3 — many candidates had no understanding of capital, as used in the term ‘capital-intensive’, believing it meant money. This is a ‘distinguish’ question, so two distinguishing statements are needed for two marks (eg ‘labour-intensive uses mostly workers and little machinery, whereas capital-intensive uses a lot of machinery and few workers’ gains one mark).

Section 2

- ◆ Question 1 (a)(i) — a ‘compare’ question, so three valid comparisons are needed for three marks (eg for ownership, ‘a partnership is owned by the partners, whereas a plc is owned by its shareholders’ gains one mark). Many candidates confused a plc with a public sector organisation.
- ◆ Question 1 (c) — many candidates gave vague descriptions of methods of field research, which gained no marks. This happened most often when candidates used the words ‘survey’ or ‘questionnaire’ without qualification, and the accompanying description did not allow the examiner to identify what kind of survey or questionnaire (ie a telephone survey, a postal survey, a street survey, an internet survey, a written questionnaire, etc) the candidate was describing.
- ◆ Question 2 (a) — many candidates seemed unfamiliar with this term and simply wrote about the advantages of being a large organisation, which often gained few, if any, marks.
- ◆ Question 2 (c)(i) — a ‘distinguish’ question, so three distinguishing statements are needed for three marks (eg ‘primary information is first-hand, whereas secondary information is second-hand’ gains one mark). Some candidates consider ‘primary’ to equate with internal and ‘secondary’ to equate with external. This gained no marks in part (i) and often meant no marks for the primary example in part (ii).

- ◆ Question 3 (a) — a ‘distinguish’ question, so two distinguishing statements and two examples are needed for four marks (eg ‘skilled workers need qualifications, whereas unskilled workers do not need any qualifications’ gains one mark).
- ◆ Question 3 (b) — some candidates had difficulty describing Acts without simply using the same words as are in the name of the Act (eg the Sex Discrimination Act needs to be described using different words from ‘sex’ and ‘discrimination’).
- ◆ Question 3 (d) — some candidates did not seem to know the term ‘franchising’, and many others only listed or described advantages and disadvantages, failing to explain why these features were advantages or disadvantages.
- ◆ Question 4 (a)(ii) — a ‘distinguish question’, so two distinguishing statements and two examples are needed for four marks (eg ‘strategic decisions are long term, whereas tactical decisions are medium term’ gains one mark).
- ◆ Question 4 (b) — some candidates named a pricing method but then described a different pricing method and so gained no marks. Where an identification is given by a candidate, then this must match the subsequent description to gain marks.
- ◆ Question 5 (a)(i) — a distinguish question, so one distinguishing statement and two examples are needed for three marks (eg ‘a line relationship shows who is in charge of whom, whereas a lateral relationship shows who is on the same level’ gains one mark).
- ◆ Question 5 (a)(ii) — many candidates seemed unfamiliar with the term ‘informal structures’.

Advice to centres for preparation of future candidates

- ◆ Candidates should be prepared to answer questions on any aspect covered by the Arrangements documents.
- ◆ Candidates must 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 a right margin of (approximately) 4cm.

Statistical information: update on Courses

Number of resulted entries in 2009	3195
Number of resulted entries in 2010	3663

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	35.2%	35.2%	1288	52
B	26.5%	61.7%	972	44
C	18.3%	80.0%	670	37
D	6.8%	86.8%	250	33
No award	13.2%	100.0%	483	—

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.