

# **HN Business Graded Unit Seminar**

**Wednesday 2 March 2005**

**Report on the Proceedings**

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*This report has been prepared by Bob Robertson who delivered the bulk of the seminar. Grateful thanks are due to Linda Meikle, Amanda Muir and Douglas Dickson who took notes of the individual group discussions and whose work has contributed greatly to the points made in this report. Thanks are also due to SFEU for organising the seminar and to Marie Morrison, Lead Specialist in Qualifications and Achievement who opened the session. Aileen Yates of COLEG indicated at the seminar that COLEG would be commissioning material to support the delivery of the Graded Unit in HN Business.*

# 1 Introduction

This report has been prepared to allow colleges to consider the issues that relate to curriculum management and planning and the delivery of the graded units (GU) within the Higher National Business group awards.

The report should be read in association with the following SQA documents which provide guidance on assessment and re-assessment –

- ◆ the HNC and HND GU specifications and exemplar assessment packs
- ◆ the HN Business Arrangements document, which is available on the SQA website
- ◆ the current version of the Guide to Assessment and Quality Assurance for Colleges of Further Education

In addition you should refer to your own college's policy on assessment and re-assessment when making assessment decisions.

Two of the three HN Business Graded Units are examinations. One of these is the graded unit for the HNC. Exemplar assessment material is available for both of these Graded Units. It is published on the secure part of the SQA website and available for SQA Co-ordinators.

Both examinations are based on case studies and candidates may be given these at least 10 days before the examination date. Candidates may not bring the case study to the examination with them and are given a fresh copy at the examination. The question paper is unseen and given out at the time of the examination.

Centres must make sure that the examination is not 'in the public domain'. For the HN Business, this has been interpreted to mean that centres must be satisfied that candidates have not had an opportunity to become aware of the questions before the examination takes place.

SQA has commissioned:

- 1 A second set of questions (with a suggested marking scheme) for the existing exemplar assessments at HNC and HND. These can be used for assessment or re-assessment purposes. Candidates will make use of the same case study. The additional questions for the HNC assessment exemplar will be available in May 2005 and those for the HND available early 2006.
- 2 New exemplar assessment packs for HNC and HND with new case studies and sets of questions are being prepared. These assessment exemplar packs will be available early 2006.

This report summarises the main points discussed during the seminar. It concentrates on the sessions specifically relating to the Graded unit for the HN Business and does not include the opening session on the Implementation of HN Awards in Scotland.

The report has three main sections corresponding to the programme. They are:

- ◆ delivering the Examination Graded Unit
- ◆ delivering the Investigation Graded Unit
- ◆ assessing and marking the HNC Graded Unit

It also contains three Appendices

- Appendix 1: Programme for the Event
- Appendix 2: Case study of J D Wetherspoon used in the marking exercise.
- Appendix 3: Overheads used during the event

## **2 Delivering the Examination Graded Unit**

### **Factors affecting the delivery of the examination Graded Unit**

The main points discussed in the discussion groups and the plenary are listed below. They refer to the HNC Graded Unit (eg four Units which underpin it) but are applicable to the HND Graded Unit. The following includes comments not covered directly at the seminar.

#### **Scheduling of the Examination**

Centres are required to fix dates for Graded Unit examinations that suit the educational needs of their candidates and their college. A date for the examination should be determined as early as possible in the academic year and communicated to candidates.

#### **Informing candidates**

Information on the examination date should be made available to candidates as soon as possible. This could be by a distinctive notice on the notice board (for example, in colour — ‘red letter day’) reinforced by reminders, statements in candidate guides and so on. It should be clear to candidates that it is their responsibility to be present on the date fixed for the examination and that, if they miss the date, the next available chance to sit the exam will be the re-assessment. Experience with Graded Units in other courses is that this works and that almost all candidates make the effort to attend.

#### **Administering the examination**

Some centres intend to provide a leaflet explaining arrangements and conditions for the exam and make this available to candidates. Some plan to have external invigilators. One centre has programmed all Graded Unit examinations for all courses on the same day.

#### **Day release and part-time candidates**

Centres who have full-time day release and part-time groups should schedule the Graded Unit examination at a time that suits their candidates.

If possible, it would be preferable for day release part-time candidates to schedule the contributing Units and the Graded Unit in the same academic year.

#### **Re-assessment**

A date for a re-assessment examination should also be set at an early point in the academic session. Experience with re-sit examinations in other contexts suggests that, if possible, this date should be within the current session even if it falls close to the end of the academic year. This may limit the time for remediation but it does help to maintain motivation and momentum among candidates. A date in June may mean that marking and results are delayed if staff are away on holiday but it does help to highlight the importance of the exam. A date in June can also make it easier to produce results for candidates who require them for progress to other institutions.

Most centres anticipate one re-assessment attempt. This means the Graded Unit assessment will be offered on two occasions during each academic session. This is consistent with the advice above that candidates who are unable to attend the original examination will have to wait until the re-assessment date to attempt the Graded Unit. This reinforces the case for fixing a re-assessment date during the current session.

There is a possible difficulty with candidates who miss the first attempt for a legitimate reason which can be supported by evidence such as a medical certificate. Such candidates would only get one attempt under the arrangements outlined above. It would be up to individual centres to decide when it is appropriate to schedule a re-assessment opportunity.

It is desirable to impress on candidates the importance of being present at the original assessment.

It is clear that it will be to the benefit of centres to decide at an early stage how they propose to tackle re-assessment and to make their chosen policy known to candidates. When deciding what to do, it may be helpful to bear in mind that a problem only arises for candidates who miss the original event for good reasons and who do not succeed at the re-assessment. Candidates who miss the original examination but who pass the re-assessment examination do not require any special arrangements.

### **Upgrading results**

It is currently acceptable for candidates to attempt a re-assessment to try to improve their original grade.

Centres may, however, wish to decide on a policy for this. Candidates who wish to attempt to upgrade could be charged a fee, for example, and could be asked to delay their second attempt until a subsequent academic year.

### **Timetabling**

The Graded Unit is a Unit like any other and should be timetabled accordingly with the same time allocation as given to other Units. Most centres envisage that the Graded Unit will be scheduled in the final block as this is when the assessment is almost certain to take place. Some centres expect to timetable time for the Graded Unit near to the end of the academic year. This also allows time to work with candidates in the 10 days or so preceding the examination but after the case study has been distributed.

If a Centre has more than one class group doing the Graded Unit it may be wise to timetable the groups at the same time. This will allow lecturers who are specialists in a particular area to switch to other groups.

A related issue to timetabling the Graded Unit itself is scheduling the four Units on which the Graded Unit is based. This may have an impact on how much the candidate will remember by the final block. Economics taught in the first block or term, for example, may be forgotten by April/May. This could put pressure on a Graded Unit tutor to re-teach some elements (which may be difficult if s/he is not an expert in that area).

## **Staffing**

It is possible to arrange for one person to cover all areas of the Graded Unit and take responsibility for preparing candidates for the examination. However, not all centres may have staff with expertise in all of the contributing Units. There are benefits of team teaching particularly as this would allow for cross marking of work and establishing a common standard. Some centres intend to use different lecturers who will deal with different aspects of the Graded Unit.

When considering which approach to adopt, centres may wish to bear in mind:

- 1 There are likely to be clear administrative benefits in appointing someone to take overall responsibility for co-ordinating the various arrangements for the Graded Unit. Their remit could include preparing the schedule of sessions/activities for the delivery of the Graded Unit.
- 2 Candidates are not required to revisit the evidence requirements of the Units on which the Graded Unit is based. They are expected to be aware of relevant concepts but are not required to repeat assessment work already undertaken. The Graded Unit is about applying ideas to a given situation which may not always require the same level of detailed knowledge as that needed for a specialist Unit.

## **Content of delivery period**

This is likely to include the following:

- ◆ revision of relevant topics from the Units on which the Graded unit examination is based
- ◆ developing exam technique
- ◆ practice in using case studies and applying concepts to analysing issues in them
- ◆ doing practice questions
- ◆ explanation of how answers will be marked
- ◆ working with the actual case study

Some of these such as developing exam technique and doing practice questions overlap. Items 1- 6 are considered in the bullets which follow although not necessarily under exactly the same headings.

Some of the delivery period is likely to be devoted to general preparation while some can focus on specific preparation and be based on the actual case study.

## **Revision of Unit topics**

This can be approached in several ways. Candidates can, for example, be reminded of the critical material by mini-lecture sessions or by quizzes or using question and answer sessions. All these may serve to jog memories but, because the Graded Unit is about using a case study, it may help to focus on the application of concepts. Short content sessions on individual topics could be used if it becomes apparent that candidates would benefit from them.

Revision of topics could be combined therefore with other activities such as practice in using case studies.

## **Developing exam technique**

This is critical to success in the Graded Unit. It can help to make candidates aware of the common mistakes which examinees display. They include:

- ◆ not answering the question asked — this often takes the form of prescribing what an organisation should do when the question requires explanation or analysis of a situation
- ◆ making broad generalisations which are not supported by reasons
- ◆ failing to adjust the length of the answer to the number of marks available
- ◆ repeating the same point — sometimes more than once
- ◆ copying out chunks of the case study verbatim or failing to refer to the case study
- ◆ using information which is not in the case study — this often involves some speculation about what has happened or should happen

Practice examination questions can be used to develop exam technique. Some centres plan to set questions on a regular basis throughout the year so that candidates develop skills in responding to questions in exam conditions. Others plan to use a ‘mock exam’ along the lines of the prelim used in Higher and other NQ courses. If time constraints prohibit a full three hour ‘rehearsal’, a shorter period with a reduced total mark could be used. For example, a 50 mark question paper could be devised and used in a 90 minute examination. Candidates could also attempt individual questions in controlled conditions.

Practice examinations and related activities require suitable case study material and appropriate questions. The Graded Unit examinations for the HN Business are similar to the approach used for Section A of the paper for Advanced Higher Business Management. It is at the same level as the HNC and uses a case study of a Scottish based plc. The questions are not always suitable for the HNC Graded Unit and the case study is shorter. However, past papers do provide material which can be used to help prepare candidates for the HNC Graded Unit. They could be used as the basis for questions done under controlled conditions and for class exercises. In future years previous exemplar assessment papers and case studies can be used.

Another source of case studies is The Times 100 available at [www.thetimes100.co.uk](http://www.thetimes100.co.uk). The case studies do have questions but they are not specific enough for the Graded Unit. However, the questions can be rephrased and the material may also help candidates to become familiar with working with case studies.

The above represents general preparation and is designed to enable candidates to build the skills needed to approach a case study based exam and to help them learn how to apply knowledge gained in other Units to a case study of a business.

## **Explaining how answers will be marked**

A vital part of developing examination technique is for candidates to understand how marks are awarded. The principles of doing this can be explained to candidates. This can help them to realise things such as the following.

- ◆ The number of points that they should make in an answer — in many cases a separate point with development and examples can earn up to four marks. An answer to an eight mark question, therefore, should have two or three well developed points or four or five less developed ones.

- ◆ The importance of answering the question — a question asking for costs and benefits will require them to refer to both costs and benefits and to mention more than one cost or benefit.
- ◆ The importance of illustrating their answer with relevant examples drawn from the case study.
- ◆ What will be a suitable length for an answer — assuming 30 minutes thinking and reading time, the 100 marks for the examination will be spread over 150 minutes writing time. A 10 mark answer should, therefore, take about 15 minutes to complete. This means it should be about 20 lines long.

One way of illustrating marking schemes is to ask candidates to prepare a marking scheme for a question. This can be done after candidates have attempted an answer to the question. After discussion, candidates can then be asked to mark another candidate's work or their own work — or both. This exercise avoids giving actual marking schemes to candidates which could lead to accusations of unfair advantage since marking guidance is often similar from examination to examination.

Candidates can also be told the principles on which the examination is constructed particularly the weighting attached to various Units.

### **Preparing for the examination using the actual case study**

It is perfectly acceptable to work with candidates prior to the examination using the actual case study. There are a number of issues which can be discussed including:

- ◆ identifying what seem to be the key points
- ◆ identifying information related to the individual Units on which the case study is based eg asking candidates questions like, 'what marketing points are raised in the case study?'
- ◆ which parts of the case study are 'padding' to help understanding but are unlikely to be significant in questions
- ◆ why the particular information in the case study has been chosen
- ◆ which examples in the case study duplicate each other
- ◆ what questions candidates would write if they had to make up an examination paper

Working with the case study in this way can help candidates realise the case study contains information which they may not use in their answers to the examination. This is because a significant business skill is assimilating a lot of information and deciding which parts can be used and which can be discarded. Generating ideas through group work are likely to be useful ways to approach many of the above issues.

At this stage, it is important that centres do not give any direct hints on what the examination actually contains. If this did happen and was discovered, it is likely that external moderation would not accept the centre's results.

Once candidates are aware of the company in the case study, they may well try to find out more information about the company from the Internet and other sources. It is important to remind candidates that all the information they require is in the case study and that they are expected to use it even if it is out of date by the time of the examination.

There is a danger that spending time seeking out additional information will distract candidates from the actual case study and will encourage them not to answer the questions actually asked in the examination but to make comments based on the 'new' information they have collected.

Candidates who make suitable reference to concepts from other Units in the HN Business Group award can be credited for this.

### **3 Delivering the Investigation Graded Unit**

#### **Factors affecting the delivery of the investigation**

One of the two Graded Units in the HND Business is an investigation. Most centres had not yet given this much thought. However, the following points were raised.

#### **Scheduling the investigation**

The consensus was that candidates should begin their investigation as soon as possible. The main constraint is that it has to be based on a Unit or Units from the HND. For this reason, it was suggested that candidates should submit a proposal for the investigation by December and aim to complete the work by Easter. This would allow candidates to be finished before the HND exam. However, it was realised that this would mean that the candidates would not be able to use all HND units for the investigation.

Submitting a proposal by December would allow candidates to complete the planning stage of their investigation either before, or very soon after, the Christmas and New Year break. This would give candidates most or all of the period up to Easter to complete the implementing and evaluating stages of the investigation.

#### **Timetabling the investigation**

As a Unit like any other, the investigation should be timetabled. It may be helpful to begin the timetabled sessions at the start of Year 2 of the HND as this would allow time to cover research methods, choosing a topic and so on.

Centres will need to develop a suitable timetable that meets the needs of their candidates. A suitable member of staff will need to be allocated to assist candidates choose topics, explain research methods etc. Once candidates start detailed work on their investigation regular meetings with their supervisor will help ensure that the investigation is the candidate's work.

Once candidates have begun detailed work on their investigation, individual appointments with supervisors are likely to replace general timetabled sessions, although they may well take place during the time period designated on the timetable. Regular meetings should also help to ensure that the investigation is the candidate's own work.

#### **Choosing a topic**

Centres were wary about giving candidates a freehand in this, partly because it could lead to difficulties in allocating supervisors. Also, most candidates are likely to benefit from some guidance to ensure that they pick an investigation which is achievable and meets the requirements of the Graded Unit specification.

Centres may wish to devise a list of suitable investigations and encourage candidates to choose from the list.

### **Dealing with candidates**

It was recognised that many candidates are poor at working to schedules. A common suggestion is that centres produce an agreement or contract which candidates would sign once their investigation topic has been agreed. This ‘contract’ would cover all three phases of the investigation — planning, developing and evaluation.

It may be important to instil a culture of keeping to deadlines to ensure that the investigation is completed in time to allow candidates to prepare for the HND examination Graded Unit. It is important that you refer to your centre’s policy, and deal with all candidates in a consistent manner, regarding those candidates who miss deadlines.

### **Re-assessment and remediation**

Re-assessment is unlikely to be appropriate for an investigation of this scale, even though page 4 of the specification for this Graded Unit refers to a “significantly different task”.

Re-assessment is only likely where candidates make no significant effort to complete the investigation. In this case, any one who subsequently decides to undertake the work may be better to start completely afresh. In all other cases, this issue can be tackled if the first version of all work is treated as a draft before the submission of a final version.

### **Supervision**

Centres will need to devise a suitable method for candidates to meet with their lecturer to allow effective supervision of their work. This supervision may be carried out within the timetabled time for the Graded Unit.

## 4 Assessing and Marking the HNC Graded Unit

This session was combined with the marking session.

Most centres anticipated using more than one marker and cross marking candidate work. In most cases, this seemed to involve an initial meeting between markers to agree an approach based on the marking guidelines. Scripts would then be marked by individual markers and the marks confirmed by another marker.

It is possible that centres may decide that a team of lecturers will mark specific Graded Unit questions. This will allow centres to employ the skills of a subject specialist in the marking of a particular question.

A standardisation meeting involving all markers would then agree marks for candidates based on marks given at first and second marking. Internal moderation would follow the standardisation, after which final marks would be determined.

### Marking the HNC Graded Unit

This session began with a brief input based on the overheads titled 'Marking Guidelines' (see Appendix 3). This set out the factors to bear in mind when marking examinations for the Graded Units in the HN Business.

Participants then undertook a marking exercise using a question based on a case study of J D Wetherspoon plc. This case study forms part of the exemplar assessment for the HND Unit, Business Culture and Strategy. It is less detailed than the ones used in the actual Graded Units but covers similar information. This case study is included in Appendix 2.

The following pages give the material used in this session. They are:

- ◆ Assessing the HNC Business Graded Unit — the outline of the exercise. The question was specially written for the seminar but is of a type similar to that used in the HNC Graded Unit examination.
- ◆ Discuss the main strengths and weaknesses of J D Wetherspoon at 31 July 2004 (12 marks) — a sample answer to the question.
- ◆ Marking Guidelines — marking guidelines for the question in the format used in the exemplar assessment for the HNC Graded Unit
- ◆ Annotated answer showing how the answer could be marked — this is only ONE way by which this could be done. It should be seen as guidance only. The consensus at the seminar was the answer is a pass but deserves a C grade but does not warrant a B.

### **Assessing the HNC Business Graded Unit 1**

This session uses the case study from the exemplar assessment for the Unit, Business Culture and Strategy (DEDX 35). This uses a case study similar to that used for the HNC Graded Unit. It does not, however, contain additional Appendices and, as a result, is less detailed.

The following question would form part of the 'integration and problem solving' topic from the HNC Business Graded Unit specification.

NB: The examination lasts three hours and the total marks are 100. Allowing for time to read the case study, plan answers and so on, candidates will have 15–20 minutes to produce an answer to this 12 mark question.

**Discuss the main strengths and weaknesses of J D Wetherspoon at 31 July 2004**  
**[12 marks]**

**Discuss the main strengths and weaknesses of J D Wetherspoon at 31 July 2004  
(12 marks)**

A big weakness for JDW is its pubs. Tim Martin's model was a good idea at the start but it's now out of date. People like to go to pubs to hear music and watch TV and they can't do this in JDW's pubs. They didn't show the World Cup or Euro 2004. JDW should try to open more pubs like Lloyds No 1 that have music and plasma screens because they are much better. Changing names like the Moon Under Water is a good idea that will give JDW a new image and will bring people into the pubs. JDW also have problems like supermarkets selling drinks at loss-leader prices and binge drinking.

JDW have been trying to make changes and they should keep doing this. They open pubs at 11.00 am for breakfast and have a dedicated family dining area and some pubs are now showing televised football. They have also removed price incentives to drink larger measures of spirits but sales have dropped so their profits have gone down.

JDW was founded by Tim Martin and it did well when it started because it was able to start from scratch and its pubs were different. Tim Martin travels round the country visiting pubs to get ideas from staff but he only does this two days a week and doesn't have the chance to get as many ideas as he used to. The target of opening 100 pubs a year has been cut to 30 a year and this shows that the company is not doing as well as it used to.

Pubs will be affected by the anti-smoking laws. A quarter of the space in Wetherspoon pubs is non-smoking but the new law will mean that there will be no smoking anywhere in the pubs. Not as many people will go to pubs and JDW's profits will fall because their sales will go down. The law is unfair to smokers who have rights like everyone else and should be allowed to smoke in places like pubs if they want to.

## **Marking Guidelines**

### **Discuss the main strengths and weaknesses of J D Wetherspoon at 31 July 2004 (12 marks)**

Award one mark for each relevant strength or weakness and up to three additional marks per strength or weakness for development, reasoned reference to relevant concepts and/or justified illustrative examples from the case study. This gives a maximum of four for each strength or weakness (but see below).

Answers which cover only strengths or weaknesses should gain a maximum of six marks. Answers which do cover strengths and weaknesses but concentrate on only one aspect of the company (such as marketing) should gain a maximum of six marks.

Relevant concepts: market demand, internal and external environment, goals; purpose of financial statements; product mix, marketing mix; product life cycle; promotion

Possible strengths include: company has an established brand name; good employee relations; record of making and implementing changes; it has a good profit and dividend record which, with its expansion, has gained stock market support in the past; has begun to make changes to help it cope with changed environmental circumstances (such as Lloyds No 1); its smoking and family policies may help it combat changing legislative environment.

Possible weaknesses include: its model of city centre pubs may now be outdated and they have become vulnerable to the proliferation of city centre pubs; reduction in profits and expansion could send adverse signals to market and make additional finance etc. hard to obtain; the style of its public houses may have become outmoded eg lack of TV, music and other entertainment; change of senior management (ie reduced role for Tim Martin) which may affect the overall aims and direction of the company; emphasis on public houses leaves it open to actions of others eg competition from supermarkets is affecting demand for service provided by public houses; its policies to combat changes in its environment are still in their early stages.

Answers should give reasons to explain exactly why a particular factor could be a strength or a weakness. Candidates who explicitly recognise, and explain, that a factor like the company's expansion and profit record and/or the change to the Lloyds No 1 concept could be both a strength and a weakness should be given credit.

**Discuss the main strengths and weaknesses of J D Wetherspoon at 31 July 2004  
(12 marks)**

A big weakness for JDW is its pubs. Tim Martin's model was a good idea at the start but it's now out of date. People like to go to pubs to hear music and watch TV and they can't do this in JDW's pubs. (1 mark) They didn't show the World Cup or Euro 2004. JDW should try to open more pubs like Lloyds No 1 that have music and plasma screens because they are much better. Changing names like the Moon Under Water is a good idea that will give JDW a new image and will bring people into the pubs. JDW also have problems like supermarkets selling drinks at loss-leader prices and binge drinking.

JDW have been trying to make changes (1 mark) and they should keep doing this. They open pubs at 11.00 am for breakfast and have a dedicated family dining area and some pubs are now showing televised football. (1 mark) They have also removed price incentives to drink larger measures of spirits but sales have dropped so their profits have gone down. (1 mark).

JDW was founded by Tim Martin and it did well when it started because it was able to start from scratch and its pubs were different. Tim Martin travels round the country visiting pubs to get ideas from staff but he only does this two days a week and doesn't have the chance to get as many ideas as he used to. The target of opening 100 pubs a year has been cut to 30 a year and this shows that the company is not doing as well as it used to. (2 marks)

Pubs will be affected by the anti-smoking laws. A quarter of the space in Wetherspoon pubs is non-smoking but the new law will mean that there will be no smoking anywhere in the pubs. Not as many people will go to pubs and JDW's profits will fall because their sales will go down. The law is unfair to smokers who have rights like everyone else and should be allowed to smoke in places like pubs if they want to.

**Total mark 6/12**

This is a pass answer but not with much to spare. This can be checked by applying the grade criteria. It suffers because it does not directly address the question; it lacks a coherent structure; it does not draw directly on course concepts and it gives little in the way of reasoned justification. However, it does recognise the main elements of the question. It does identify several relevant factors from the case study and, albeit implicitly, refers to both strengths and weaknesses. There is little if any direct mention of course ideas but some (eg demand; promotion) are implicit. Overall, it does convey some understanding of the issues raised by the question.

# **Appendix 1**

## **Programme for the Event**

This seminar aims to help participants prepare candidates for the HNC Business Graded Units.

**Benefits:**

- ◆ Update knowledge and skills
- ◆ Share good practice
- ◆ Standardise marking of Graded Units

**Aims**

- ◆ To confirm participant's knowledge of the Graded Units in HN Business.
- ◆ To identify and share good practice in the delivery of the Graded Units in the HNC/HND Business.
- ◆ To identify and share good practice in making arrangements to deal with the assessment of the HNC Graded Unit.
- ◆ To practice and discuss marking of the HNC Graded Unit.

**Target Audience**

- ◆ Lecturers/Senior Lecturers/Curriculum Leaders involved in delivery of the HN Business Graded Units.

**Conference Organiser:** Kerry Adam, Events Co-ordinator, SFEU

**Conference Code:** C3037

## Programme

0945	Registration and coffee	
1000	Welcome and Introduction	
1015	Presentation — Implementation of HN Award in Scotland’s Colleges Marie Morrison, Lead Specialist — Qualifications and Achievement, SFEU	Summary of Implementation Study undertaken by SFEU of HN Awards
1030	Role of Graded Unit in HN Business Bob Robertson, SQA	
1045	Good Practice in Delivering Graded Unit in HN Business: Examination BR	
1130	Good Practice in Delivering Graded Unit in HN Business: Investigation BR	
1215	Assessing the Graded Unit 1: Internal Arrangements BR	
1245	Lunch	
1345	Marking the Graded Unit 1: Using the Case Study BR	
1445	Questions and Answers	
1500	Close	

# **Appendix 2**

**Case study of J D Wetherspoon used in the  
marking exercise**

## **J D Wetherspoon plc**

### **Background**

J D Wetherspoon plc was founded by Tim Martin who opened the first J D Wetherspoon pub in 1979. He based his model for a pub on a 1946 essay by George Orwell which referred to an imaginary pub called '*Moon Under Water*'. This offered cheap beer, good conversation and solid architecture. As a result, the company motto of J D Wetherspoon is "cleanliness, beer, service and maintenance". J D Wetherspoon, incidentally, takes its name from a Mr Wetherspoon who was Tim Martin's primary school teacher. The 'JD' is from a character in a television programme 'Dukes of Hazzard'.

J D Wetherspoon became a plc in 1992 at which time it consisted of a chain of 44 pubs. It now has over 600 pubs, which means that it has expanded on average at the rate of about one new pub each week. In 2000, for example, it opened over 90 new pubs and over 50% of the finance for the new developments came from cash generated by the business. In 2002, about 10 years after flotation, its share price rose to more than ten times its original value.

### **Development and growth of the company**

From the outset J D Wetherspoon had a policy of expansion. In order to provide the atmosphere and facilities which Tim Martin required (see the sections below), J D Wetherspoon pubs needed to be fairly large. Initially, they averaged 4,100 square feet in area and, although this has fallen over the years, the average size remains over 3,300 square feet. During the 1980's and 1990's the company relied on organic growth by acquiring suitable sites and converting them into J D Wetherspoon pubs.

As well as ensuring that the site was big enough, this strategy of organic growth enabled the company to choose locations which it considered suitable for pubs of its type. Many of these were in high profile 'high street' locations in town and city centres. Expansion by buying other public house chains was ruled out on the grounds that it would not provide sufficient pubs of the right size in the right place.

One reason for the company's successful expansion was that it was able to capitalise on changes in the public house market. The traditional link between the brewing companies and pubs known as the 'tied house' system had been broken by a ruling from the Monopolies and Mergers Commission which severely limited the number of pubs which brewer could operate.

This had forced companies to choose between brewing and retailing with the result that companies were selling off either their brewing operations or their chains of public houses and hotels. J D Wetherspoon entered the market as a retailer. It was a new company with no connections to any brewery and was able to build from scratch. To an extent, it represented a type of company which had not previously existed in the licensed trade in the UK.

In addition, it had a clear idea what sort of pubs it wished to operate and was able to ensure that its approach was consistently maintained across all its outlets. Other public house operators were less able to decide on how to proceed in the changed market environment. The 1980s and early 1990s were characterised by a number of launches and re-launches as well as changes of ownership among other public house operators.

## **Characteristics of J D Wetherspoon pubs**

Tim Martin's model for a pub has meant that J D Wetherspoon pubs were based on a number of distinguishing characteristics:

- ◆ they sell a wide range of real ale beers at relatively low-prices
- ◆ good quality wine is available
- ◆ they do not play music or show TV programmes
- ◆ at least a quarter of the space in each establishment is non-smoking
- ◆ each has a ventilation system (costing more than £100,000) which aims to ensure that customers do not leave smelling of smoke
- ◆ particular attention is paid to the toilets ('groovy loos'), including the provision of specially adapted toilets for customer with disabilities
- ◆ all serve food which is available all day and sold at relatively cheap prices – the gourmet food expert, Egon Ronay, has been consulted on this and his recommendations, including using better basic ingredients and serving lighter dishes, have been put into practice.

## **Tim Martin**

Much of the success of J D Wetherspoon during the last two decades of the twentieth century was attributed to the founder, Tim Martin. He is a controversial and unusual character for a businessman. He is six feet five inches tall and weighs eighteen stone. He has an unconventional image with shoulder length ginger hair and he dresses casually in clothes that are not always co-ordinated.

In his capacity as executive chairman, he regularly travelled round the country visiting pubs and, when he did so, he carried all his business documents in two plastic supermarket carrier bags. He is a noted euro-sceptic and in 2002 printed 500,000 beer mats and put up 10,000 'save the pound' posters to encourage customers to think about the issue while they drink. Union leaders and others condemned his actions. However, he justified them by using the results of a poll among company staff which showed that 90% were against the single currency and 95% were happy for the pubs to be used in Martin's 'No' campaign.

## **People in J D Wetherspoon**

Wetherspoon's has consistently claimed that people are its best asset. It has a flexible training policy which enables people from all kinds of different backgrounds to join the company. It is committed to lifelong training and it provides staff with opportunities to gain relevant qualifications such as those offered by the British Institute of Innkeeping. Every member of staff is considered as potential management material and 20% of senior managers began as bar staff or cleaners. It recognises that employees will not stay with it for all their working lives but does wish to build a sense of loyalty.

J D Wetherspoon has a 'lifestyle guarantee' which aims to give managers time for a life outside work. They work a 48 hour week with two consecutive days off and a maximum of four late closures a week. All managers get a day off in lieu for every bank holiday they work. Training courses, area meetings and shift management meetings form part of the working week so that they do not encroach into staff leisure time.

Another key aspect of the company's operation is 'involvement and communication'. Staff are kept in touch with weekly newsletters, a monthly company video and by publicising the minutes of Board meetings. J D Wetherspoon places great importance on listening to, and acting on, feedback from members of staff on all aspects of the business. Ideas and suggestions are discussed each week in company meetings and staff are rewarded for their suggestions. Staff can also discuss company issues with visiting Board members like Tim Martin. Among the suggestions from employees which the company has adopted are:

- ◆ starting training courses later in the day to save on travel costs
- ◆ not serving complementary crisps with baguettes (customers who ordered them tended to want a quick snack, were health conscious and almost always left the crisps)
- ◆ introducing a 'hotness' rating on the curry menu
- ◆ providing children's cutlery with children's meals

Wetherspoon's 'listening' policy is based on a system successfully pioneered by the hi-fi retail, Richer Sounds. Julian Richer, owner of the company, acted as a consultant to J D Wetherspoon. He is sceptical about the value of customer research and advised J D Wetherspoon to follow his company's example and listen to staff.

In many respects relations with staff stem from the informal approach adopted by Tim Martin. He used to enjoy telling story of a member of staff who over-indulged at the opening of a pub called the *'Monk's Retreat'* and drove away in a refuse lorry. She eventually became a regional manager.

### **J D Wetherspoon in the 21<sup>st</sup> Century**

By the start of the twenty first century, however, J D Wetherspoon was facing much more competition. The retail licensing market had adapted to the changes in the 'tied house' system and other retail pub chains like Regent Inns and Punch Taverns had been developing their businesses. Some of them use a different approach to that used by J D Wetherspoon which manages its own outlets. Punch Taverns, for example, mainly operates tenanted pubs under which landlords are tenants who run the pub and pay rent to the company.

The overall result has been an increase in the number of pubs. In town and city centres, in particular, the market now appears to be over-supplied.

Two other factors had an influence on the licensing trade during 2002 — 2004. Firstly, supermarkets began selling drinks, particularly premium lager, at loss-leader prices. This makes it difficult for pubs to compete on price and encourages drinking at home. Secondly, there was increasing public and government concern about binge drinking and the consequent anti-social behaviour particularly in city centres. Pubs cannot be seen to be encouraging this state of affairs as it brings them bad publicity.

The changes have affected J D Wetherspoon. In 2001, the number of new openings was lower than the previous year and, in subsequent years, sales and profit growth have also slowed down. The company had long been a stock market favourite but the share price also fell. In 2004, the planned opening rate for new pubs was scaled down to about 30 a year (at one time the company had a target of opening 100 new pubs a year). Tim Martin gave up day-to-day control in 2004 to become non-executive chairman working two days a week. He continues to hold over 15% of the shares and to influence and contribute to the way the business operates.

The basic approach to J D Wetherspoon outlets remains unaltered but it has made some changes such as:

- ◆ Pubs now serve breakfast and open earlier in the morning before normal licensing hours begin at 11.00 a.m.
- ◆ Most pubs now have a dedicated family dining area where children and adults can eat together. The area is restricted and limited to meal times only. Children are not allowed in the bar areas and the company believe it does greatly alter the atmosphere of the pubs.
- ◆ Some pubs now show televised football — in 2002, J D Wetherspoon pubs did not show World Cup football and sales suffered as a result. A similar situation arose with the Euro 2004 football tournament, although by this time a minority of J D Wetherspoon outlets did have TV screens.
- ◆ In 2004, it removed price incentives to drink larger measures of spirits and reduced the amount of alcohol in its cocktail pitchers. This has had an adverse effect on sales of spirits and cocktails.

J D Wetherspoon has also reviewed its operations. In 2000, it acquired the Lloyds pub chain consisting of 10 pubs. Since then, it has developed the Lloyds Number One brand and greatly increased the number of outlets. These bars have a different menu to J D Wetherspoon pubs and, in contrast to them, are music based outlets with a much stronger entertainment element. They have plasma screens and can show TV programmes. In fact, some J D Wetherspoon pubs have been re-branded as Lloyds No 1 bars, including 'The Moon Under Water' in London's Charing Cross Road, which has been renamed 'The Montague Pyke' after a well-known London entertainment mogul. Future new outlets will be divided between the J D Wetherspoon and Lloyds No 1 Bar brands.

It has also begun developing budget hotel accommodation known as 'Wetherlodges', a development which began when it acquired premises with rooms in the late 1990's. It now has more than ten of these hotels, all of which have bar facilities attached to them. Some of these are part of the Lloyds No 1 Bar concept.

J D Wetherspoon plc remains a successful business. During 2004, for example, year on year sales continued to increase albeit at a lower rate than previously.

*(The above information comes from the company's website at [www.jdwetherspoon.co.uk](http://www.jdwetherspoon.co.uk) and from news reports. It is current at 31 July 2004)*

# **Appendix 3**

## **Overheads used during the event**

## Slide 1

### Aims

1. To confirm their knowledge of the graded units in the HN Business
2. To identify and share good practice in the delivery of the graded units in the HNC/D Business
3. To identify and share good practice in making arrangements to deal with the assessment of the HNC Graded Unit
4. To practise and discuss marking of the HNC graded unit

## Slide 2

### Role of Graded Unit in HN Business

- HNC - 1 graded unit  
[examination]
- HND - 2 graded units  
[examination and a  
project i.e.  
investigation]

## Slide 3

### Purpose of Graded Units in HNC/D Business

Same as graded units in other HN  
awards i.e.

- Assess the candidate's ability to retain, integrate and apply the knowledge and/or skills gained in the individual Units of HNC/D Business
- A means of ensuring that candidates have achieved the principal aims of the HNC/D Business
- Means of grading candidate performance

## Slide 4

### Delivering the examination graded unit

#### Challenging task for students

Raises a number of issues including:

- Preparing students for the exam
- Developing exam technique
- Revision
- Staffing
- Arranging a date for the examination(s)
- Etc

**What issues have you encountered (or think you will encounter) in delivering the HNC graded unit?**

**How can they be addressed?**

## Slide 5

### Delivering the investigation graded unit

Also a challenging task for students

It too raises a number of issues including:

- Agreeing investigation topics
- Supervising students
- Deadlines
- Monitoring progress
- Etc.

**What issues do you think you will encounter in delivering the HND investigation graded unit?**

**How can they be addressed?**

## Slide 6

### Assessing the HNC graded unit

This is a challenge for centre  
staff.

Concentrate here on general issues;  
[Will consider actual marking later]

- Approach to marking e.g. one person, team
- Internal moderation
- Re-assessment
- External moderation
- Etc

**What in your view is good practice  
for assessing the HNC examination  
graded unit?**

**Why do you think this?**

## Slide 7

### Marking Guidelines General points

The exemplar assessment gives 5 general marking guidelines:

- Assessors should refer to the level of performance associated with each grade
- Answers should provide reasons and examples
- Answers should be related to the case study
- Responses should make use of the 4 mandatory units associated with the Graded Unit specification - other points may be relevant however
- Marking is about exercising judgement

## Slide 8

### Marking Guidelines Applying the guidelines

- Guidelines give an indication of how marks should be allocated
- Development points are points which take an initial point further e.g. by a relevant example; further explanation; additional reasoning; reference to a relevant concept
- Guidelines give an indication of relevant course concepts and some ideas of what a relevant answer could contain - in most cases there is much more than is required to gain full marks and they are not intended to be comprehensive

## Slide 9

### Marking Guidelines

#### Awarding marks

- When awarding marks bear the grade boundaries in mind - 5/10 = C; 6/10 = B; 7/10 = A.
- Can award a mark (or marks) for relevant points - easier for internal and external moderation
- Different people may reach the same mark by different routes
- Can mark holistically and give a mark which reflects the grade into which the answer falls
- Can combine the two - award marks for points and check that the final mark is suitable