

Autumn 2006

To: SQA Co-ordinator  
Customer Support Managers  
Local Education Authorities  
Directors of Education  
All Centres  
HMIE

Action by Recipient	
	Response required
✓	Note and pass on
	None – update/information only

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Dear Colleague

### **Subject update — Business Education**

The contents of this letter should be passed to the members of staff responsible for Business Education subjects.

#### **General information and advice**

##### **Assessment Panel**

The autumn meeting of the NQ Business Education Assessment Panel took place on Wednesday 25 October 2006.

##### **Standard Grade — Accounting & Finance, Administration, Business Management Practical Abilities Projects 2007**

Practical Abilities Projects have now been distributed to all centres as per the distribution model used for the 2006 projects. The number of projects allocated to centres was based on certificated numbers for diet 2006. Extra copies are available to download via the secure area of SQA's website. Any problems or requests for a large number of copies will be handled by the Customer Contact Centre (**0845 279 1000**).

##### **Understanding Standards website**

All staff are encouraged to make use of this valuable resource ([www.understandingstandards.org.uk](http://www.understandingstandards.org.uk)) which covers the following subjects/levels:

- ◆ Administration Higher
- ◆ Business Management Higher
- ◆ Business Management Intermediate 2

Your SQA Co-ordinator should have access details to the site. Please approach them for access.

### **Principal Assessors' reports and Senior Moderators' reports**

Principal Assessors' reports for diet 2006 examinations and Senior Moderators' reports for 2006 are now available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) and can be found in each of the subject pages. All centres are reminded of the importance of these reports and the fact that particular issues which have been identified will apply in the current session.

### **Marking instructions for diet 2006**

Marking instructions for all examinations are now available to download from the subject-specific pages of SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)).

### **Appeals**

We have recently updated the *Estimates, Absentees and Assessment Appeals: Guidance on Evidence Requirements* document and this is now available on our website. A hard-copy is being issued to every centre. In particular, the document clarifies subject-specific requirement as well as guidance on the general principles for generating Estimates and submitting Appeals.

When generating Estimates and compiling evidence for Absentee consideration and Appeals, you should also refer to:

- ◆ Course Arrangements documents, which include Course grade descriptions
- ◆ Course assessment specifications
- ◆ SQA question papers, including specimen question papers
- ◆ SQA marking instructions
- ◆ Principal Assessor reports, which include information on Grade boundaries
- ◆ exemplification materials
- ◆ any other relevant information (eg Course Reports, subject update letters)

These materials, and more, are also available on the subject-specific pages of our website ([www.sqa.org.uk](http://www.sqa.org.uk)).

All centres should also note that where SQA past papers are used to construct a prelim, questions must be carefully selected from a **minimum of three** papers, preferably adapted, and must be checked to ensure that they meet the current standard of the external examination paper.

A well-designed commercially-produced question paper can, as long as it is checked to ensure that it meets the National Standard, provide valid and reliable evidence for estimates of a candidate's expected performance in a Course assessment. It can also provide full or partial evidence to support an External Assessment Appeal. The use of these question papers is both convenient to centres and acceptable to SQA — provided that our guidance on validity, reliability and security is adhered to.

Commercial question paper producers make considerable effort to meet Course requirements with regard to validity and reliability. However, SQA does not prior-moderate commercially-produced question papers, and there is no guarantee that these question papers meet all Course requirements. Centres are responsible for the validity and reliability of the assessment evidence submitted to support External Assessment Appeals, and therefore **must** evaluate these papers in the same way as centre-devised papers.

**Only the current year's commercial papers can be considered in their entirety for External Assessment Appeals.** Because these papers and associated marking instructions find their way into the public domain, which provides candidates with opportunities for access to them, past papers cannot be accepted in their entirety to support External Assessment

Appeals. Centres should be aware of the changes made to Appeals in diet 2006 — this will also apply to future years. Where materials are submitted for Appeals, but are found to be incomplete by the examiner when processing the appeal (eg the instrument of assessment, marking scheme or sources of questions) the centre concerned will be contacted to resolve the situation. However, a £50.00 charge per candidate, per Course will be levied to cover additional costs incurred when processing. Please refer to Tom Drake's letter, dated 11 August 2006.

Further subject specific information is contained in the following Appendices:

**Appendix 1 — Accounting & Finance**

**Appendix 2 — Administration**

**Appendix 3 — Business Management**

**Appendix 4 — Economics**

Should you require further information about the content of this letter or any other matter relating to Business Education subjects, please contact the staff listed below (please note the changes of telephone numbers):

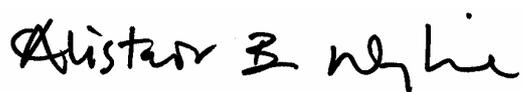
Alistair Wylie — Qualifications Manager, Business Education  
0845 213 5488 or [alistair.wylie@sqa.org.uk](mailto:alistair.wylie@sqa.org.uk)

Shazia Anwar — Qualifications Officer, Business Management  
0845 213 5487 or [shazia.anwar@sqa.org.uk](mailto:shazia.anwar@sqa.org.uk)

Julie Scanlan — Qualifications Officer, Administration  
0845 213 5486 or [julie.scanlan@sqa.org.uk](mailto:julie.scanlan@sqa.org.uk)

Liz Sinclair — Qualifications Officer, Accounting and Economics  
0845 213 5485 or [liz.sinclair@sqa.org.uk](mailto:liz.sinclair@sqa.org.uk)

Yours faithfully



Alistair Wylie  
Qualifications Manager  
NQ Business Education

## **Appendix 1**

### **Subject update — Accounting**

#### **Accounting — Intermediate 1, Intermediate 2, Higher and Advanced Higher**

Centres are advised that as of diet 2006, all examination papers will refer to Year 1, Year 2 etc, rather than adopting specific year dates (eg 2005, 2006, etc).

#### **Use of General Reserve**

In line with current modern accounting practice, we will no longer examine the use of a General Reserve at any level of Accounting Course. This has been the case since the introduction of the new revised Courses at Intermediate 1, Intermediate 2, Higher and Advanced Higher, however, for further clarification this also now includes Standard Grade. We appreciate that some teachers may already be teaching this concept during this session, however, it **will not be examined in external assessment** from diet 2008 onwards.

#### **Higher Accounting — Markers**

We are currently looking to recruit Markers for Higher Accounting in advance of the diet 2006 examination. If you have current experience of delivering Higher Accounting and would like to apply to join our team of Markers, please complete an application form available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) or contact Liz Sinclair, Qualifications Officer on 0845 213 5485 or [liz.sinclair@sqa.org.uk](mailto:liz.sinclair@sqa.org.uk) for further information.

## **Appendix 2**

### **Subject Update — Administration**

#### **Administration — Advanced Higher**

The review of Advanced Higher Administration is now complete. Documentation, including Course Arrangements, NABs, and Expanded Syllabus are available to download from SQA's website.

Centres are reminded of the transition arrangements which apply following the introduction of the new Advanced Higher Administration Course:

- ◆ Candidates who have successfully completed all component Units of the old Course (in diet 2006) can upgrade their external assessment grading in diet 2007 (without undertaking the new Units of the revised Course).
- ◆ Candidates who have been graded in the diet 2006 external examination, but who still have to complete an outstanding Unit (under old Arrangements), are allowed to complete that Unit in diet 2006/07 and thereby gain a Course award in diet 2007 certification.

Command words developed for Advanced Higher Business Management will be adopted for Advanced Higher Administration from 2007. A copy of the command words can be downloaded from the Business Management subject section of SQA's website.

#### **Provision of electronic files — Intermediate 1, Intermediate 2 and Higher levels**

Electronic files were made available at Intermediate 1, Intermediate 2 and Higher Administration for diet 2006. The files will also be made available for diet 2007, seven working days prior to the exam. Details will be e-mailed to SQA Co-ordinators in spring 2007. Electronic files for the specimen question papers, prelim papers and papers from diet 2005/06 at Intermediate 1, Intermediate 2 and Higher are available to download from the Administration subject page of our website ([www.sqa.org.uk](http://www.sqa.org.uk)).

#### **Professional Development Workshop**

Following the success of the Professional Development Workshop (PDW) for Higher Administration that took place on 28 January 2006, SQA are running a second PDW which will take place on Saturday 25 November 2006 at Caledonian University, Glasgow. The PDW is run by the Higher Administration examination team and the Qualifications Team from SQA will also be in attendance. Places for the PDW are limited and cost £150. Further details and a booking form can be downloaded from our website ([www.sqa.org.uk](http://www.sqa.org.uk)).

#### **Exemplification material — Higher Administration**

With reference to paper copies of exemplification material sent to centres in 2005 and made available to download from the secure area of our website, please note this is no longer applicable and centres should refer to the Understanding Standards website. The exemplification material has been removed from the secure area of our website.

#### **Appeals**

All centres should note that for diet 2007 appeals onwards, the use of Paper 2 past papers in their entirety for Intermediate 2 and Higher levels **will not be** acceptable. Centres may make judicious use of the specimen papers, diet 2005, diet 2006 and the SQA-supplied prelim papers (2006 only) as well as other sources (eg commercial papers) subject to the previously published advice for the generation of Evidence for Assessment Appeals in constructing appropriate papers for Intermediate 1, Intermediate 2 (Papers 1 and 2) and Higher (Papers 1 and 2).

Centres may also wish to make use of electronic files which are available to download from our website ([www.sqa.org.uk](http://www.sqa.org.uk)). These files may be used without alteration.

**National Assessment Bank (NAB) materials**

NABs from the old Administration Course have been removed from the secure area of our website as transition arrangements are no longer applicable and centres should only be using NABs dated 2005/06. However, Word Processing 1 and 2 NABs will continue to be available on the secure site, as these Units are used by some centres as stand-alone Units. Please refer to autumn 2005 subject update letter for further details.

**Markers — all levels**

We are currently looking to recruit Markers for Administration in advance of the diet 2007 examinations and in anticipation of continuing growth in presentation numbers. If you have current experience of delivering Administration and would like to apply to join our team of Markers, please complete an application form available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) or contact Julie Scanlan, Qualifications Officer on 0845 213 5486 or [julie.scanlan@sqa.org.uk](mailto:julie.scanlan@sqa.org.uk) for further information.

### **Appendix 3**

#### **Subject update — Business Management**

#### **Advanced Higher Business Management: Business Report**

Additional information on the production of the Business Report is now available to download from the Business Management subject area of SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)). This document is entitled: *Advanced Higher Business Report Guide*.

Please note that Business Reports should **not** be marked by centres prior to submission to SQA. The Business Report is treated as part of the Course and, as such, is subject to external marking by SQA.

#### **Advanced Higher Business Management Report — Markers**

We are currently looking to recruit Markers to mark the Advanced Higher Business Management Report in advance of the diet 2007. This will be centrally marked at SQA Dalkeith on 4, 5 and 6 May 2007 providing new Markers with the full support of the Principal Assessor and examining team.

If you have current experience of delivering Advanced Higher Business Management and would like to apply to join our team of Markers, please complete an application form available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) or contact Shazia Anwar, Qualifications Officer on 0845 213 5487 or [shazia.anwar@sqa.org.uk](mailto:shazia.anwar@sqa.org.uk) for further information.

#### **Advanced Higher Business Management Appeals**

Centres are asked to note the following advice from the Principal Assessor and examining team following the processing of Appeals for diet 2006.

Section one:

A substantial portion of questions in section one must be altered where these questions have been taken from previous SQA examination papers.

Section two:

SQA advice on using a minimum of at least three past papers applies here. However, it is permissible to use both parts of a past section two question in compiling a prelim paper as long as the parts are mixed up so that they appear in different questions.

General advice:

If SQA case studies and past papers are used, it is strongly recommended that they be taken from papers no more than three years old.

#### **Advanced Higher Business Management NABs**

All centres should note that only in the case of NAB001 for the Unit *Managing Organisations: The Internal Environment* (DV4N 13) may candidates be issued with the case study portion of the assessment up to one week in advance of the actual assessment date. For all other NABs for the Units *Managing Organisations: The Internal Environment* (DV4N 13) and *Managing Organisations: The External Environment* (DV4M 13), candidates should not be given access to the case study in advance of the assessment opportunity. This advice is provided to clarify the information already contained in the Assessment Conditions section of the NABs.

### **Acceptance of Advanced Higher Business Management for entrance to university**

Recent reports have suggested that Advanced Higher Business Management may not be accepted for entrance to some English universities. We can confirm that following recent discussions between SQA and Cambridge University, the university has confirmed that it holds our Advanced Higher Courses in very high regard and is not assuming that the content is the same as the corresponding A-level subjects. This means that they will not rule out accepting Advanced Higher Business Management for the purpose of entry.

### **Standard Grade Business Management prelims**

When preparing prelim examinations, centres should take into account the following guidance.

Papers should be set with two distinct elements — KU (Knowledge and Understanding) and DM (Decision Making). The mark range for each level should correspond with SQA external papers, ie 30 marks for KU and DM for Foundation/General levels and 35 marks for KU and DM at Credit level.

Prelim papers should reflect the whole of the syllabus but in particular should cover four areas of business, eg Marketing, Finance, Human Resources and Operations. In addition, ICT should also be examined. The Appeals team will be looking for each of the above to be included in a prelim paper — even if only for one or two marks. Prelim papers should avoid over examination of any one particular subject area, eg there has been an over emphasis on Marketing in the past. Prelim papers should also reflect the current format of the exam papers, eg using stimulus material as a basis for questions. This format was introduced in 2001. Exam papers prior to 2001 should be avoided when constructing prelim papers.

Where possible, centres should encourage candidates' access to internet websites to learn about UK businesses. The stimulus materials used in exam papers tries to focus on Scottish and UK businesses. Much of that stimulus comes from internet websites. Other sources are newspapers. The inclusion of a business in any particular year or level does not exclude the same business from being used in the future, eg Baxters has been used at both General and Credit level.

### **Business Management — Intermediate 1, Intermediate 2, Higher and Advanced Higher**

The NQ Review in Business Management is now complete for Intermediate 1, Intermediate 2, Higher and Advanced Higher.

Documentation relating to the new Courses is available on SQA's website. This includes Arrangement documents, Course assessment packs (including a Course assessment specification and specimen question paper for each level) and National Assessment Bank Assessments (three per level). Note that the NABs must be accessed via the secure area of SQA's website.

The following transition arrangements will be in force during session 2006/07 for Business Management at Intermediate 1, Intermediate 2, Higher and Advanced Higher levels:

- ◆ Candidates who have successfully completed all component Units of the old Course (in diet 2006) can upgrade their external assessment grading in diet 2007 (without undertaking the new Units of the revised Course).
- ◆ Candidates who have been graded in the diet 2006 external examination but who still have to complete an outstanding Unit (under old Arrangements), are allowed to complete that Unit in diet 2006/07 and thereby gain a Course award in diet 2007 certification.

- ◆ Note: all candidates who fall into either of the above categories in relation to Advanced Higher will be required to undertake the Business Report which is subject to external marking and contributes to the external assessment.

### **Higher Business Management — Development points**

With reference to the marking of Higher Business Management and the provision of marking instructions for external examinations as provided by SQA, all centres are asked to note that development points should not be awarded in the marking of assessments designed to replicate the external assessment. The marking instructions provided are very comprehensive and cover all the points that the Principal Assessor, examining team and marking team would reasonably expect to find when marking candidate scripts. The awarding of development points introduces an unnecessary degree of subjectivity to the marking and should be avoided. Fuller expansion and development will however be expected at Advanced Higher level.

### **Professional Development Workshop**

SQA are running a Professional Development Workshop (PDW) for Higher Business Management which will take place on Saturday 27 January 2007 at Caledonian University, Glasgow. The PDW is run by the Higher Business Management examination team and the qualifications team from SQA will also be in attendance. Places for the PDW are limited and cost £150. Further details and a booking form can be downloaded from our website ([www.sqa.org.uk](http://www.sqa.org.uk)).

### **Higher Business Management — Markers**

We are currently looking to recruit Markers for Higher Business Management in advance of the diet 2007 examination and in anticipation of continuing growth in presentation numbers.

If you have current experience of delivering Higher Business Management and would like to apply to join our team of Markers, please complete an application form available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) or contact Shazia Anwar, Qualifications Officer on 0845 213 5487 or [shazia.anwar@sqa.org.uk](mailto:shazia.anwar@sqa.org.uk) for further information.

## Subject update — Economics

### Economics — Standard Grade

All centres presenting Standard Grade are asked to note the following mark allocations when constructing prelims or gathering evidence for external assessment appeals. The marks allocated in the external assessment from diet 2006 onwards will no longer vary from year to year.

<b>MARK ALLOCATIONS</b>		
<b>Level</b>	<b>Knowledge &amp; Understanding</b>	<b>Enquiry Skills</b>
Foundation	30	45
General	32	44
Credit	32	44

### Markers — Economics

If you have current experience of delivering Economics at Intermediate 2 and Higher and would like to apply to join our team of Markers, please complete an application form available on SQA's website ([www.sqa.org.uk](http://www.sqa.org.uk)) or contact Liz Sinclair, Qualifications Officer on 0845 213 5485 or [liz.sinclair@sqa.org.uk](mailto:liz.sinclair@sqa.org.uk) for further information.