

7 December 2004

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

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 panels — update

As a result of the re-alignment of business areas within SQA, there is now a dedicated team within National Qualifications managing and supporting the subjects within the Business Education discipline. We have taken the opportunity to also re-align the Assessment Panels into a similar structure. The four Business Education subjects previously reported to three separate Assessment Panels; as from autumn 2004, the Business Education subjects will report to one newly-formed Business Education Assessment Panel. We believe this will offer greater support and balance to the subject area. The first meeting of the new Assessment Panel is scheduled for 8 December 2004.

Appeals

All centres are referred to the recent document *Estimates, Absentees and External Assessment Appeals: guidance on evidence requirements BA0992/3, April 2004* providing guidance on evidence requirements for estimates, absentee consideration and external assessment appeals for subject specialists in centres which are delivering National Courses.

When preparing estimates and compiling evidence for absentee consideration and external assessment appeals, you should refer to (note this is not an exhaustive list):

- ◆ Course Arrangements documents, which include Course grade descriptions
- ◆ Course Assessment Specifications
- ◆ Assessment instruments
- ◆ Marking instructions
- ◆ Candidate evidence

- ◆ Appeals exemplification materials
- ◆ Any other relevant information (eg Principal Assessor reports, subject update letters)

The most up to date information is available on SQA's website (www.sqa.org.uk).

We recommend that you read this document, and the associated subject-specific pages for question paper based Courses on SQA's website, for the Courses you are working with. This will provide you with a working knowledge of the process and evidence requirements for estimates, absentee consideration and external assessment appeals for National Courses.

In preparing prelim papers and preparing evidence for appeal, centres should also refer to the Course Assessment Specification (currently available for Intermediate 1, Intermediate 2 and Higher Accounting and Intermediate 1, Intermediate 2 and Higher Administration — new Arrangements only).

When preparing prelims, centres should also note the following important points:

- ◆ SQA past papers in their entirety are not acceptable.
- ◆ Where SQA past papers are used to construct a prelim they must be carefully selected from a **minimum of three** past papers, preferably adapted and checked to ensure that they meet the current standard of the external examination paper.
- ◆ The sources of all questions used should be identified.
- ◆ Commercial papers may be used but only the current year's paper can be used in its entirety. The standard of commercial papers cannot be guaranteed as they are not moderated by SQA. It, therefore, remains the responsibility of each centre to ensure the validity, reliability and security of any commercial paper being used.
- ◆ Specimen question papers provided by SQA **cannot** be used in their entirety. These are in the public domain and the question papers and marking instructions are openly available on SQA's website.
- ◆ Centres should submit a marking scheme with any prelim that is used, show clearly where marks have been awarded on the script and set appropriate cut-off scores for the paper. Information relating to cut-off scores is available in the current Principal Assessor's report for each subject and level.

Finally, any prelim paper used should mirror the external assessment in length, mark allocation and breadth and depth of Course coverage.

Further information is contained in the following appendices:

Appendix 1 — Accounting & Finance

Appendix 2 — Administration

Appendix 3 — Business Management

Appendix 4 — Economics

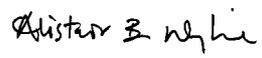
Should you require further information about the content of this letter or any other matter relating to Business Education subjects, please contact the staff listed below:

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Yours faithfully



Alistair Wylie
Qualifications Manager
Business Education

Appendix 1

Subject Update — Accounting

The Principal Assessors' reports for the 2004 examination diet are now available on SQA's website (www.sqa.org.uk) and can be found in the NQ Accounting subject area.

Accounting & Finance — Standard Grade

Practical Abilities Projects

Practical Abilities Projects have now been distributed to all centres. This year, projects were allocated to centres based on certificated numbers for diet 2004. Extra copies are available to download from the secure area of SQA's website. Any problems should be directed to the Customer Contact Centre on 0845 279 1000 or customer@sqa.org.uk.

Accounting — Intermediate 1, Intermediate 2 and Higher

Revised Courses for Intermediate 1, Intermediate 2 and Higher Accounting are now live and all centres should be using the new Courses and Arrangements from session 2004/2005 onwards.

Course Arrangements documents, Unit Specifications, specimen question papers (one per level) and a Course Assessment Pack are available on SQA's website. NABs for each level are also available to download from the secure area of SQA's website and can be accessed via your SQA Co-ordinator.

Appeals feedback

All centres should note carefully the following advice when preparing a prelim examination for use as appeal evidence.

General SQA advice contained in the document *Estimates, Absentees and External Assessment Appeals: guidance on evidence requirements BA0992/3, April 2004* states that where SQA past papers are used to construct a prelim they must be carefully selected from a **minimum of three** papers, preferably adapted and checked to ensure that they meet the current standard of the external examination paper. The Principal Assessor has asked that further detail is provided to centres such that 'preferably adapted' should constitute more than just changing the name of the business or, for example, doubling the numbers in a question. An adapted question ought to offer a challenge which is in some way different from the original question. Centres should also avoid compiling a prelim which, although taken from a minimum of three papers, contains the two compulsory questions from the previous year's paper and the 'popular choice' questions which candidates may find easier to answer.

Accounting transition arrangements — Intermediate 1, Intermediate 2 and Higher levels

The following transition arrangements are in place following the introduction of the new Accounting Courses at Intermediate 1, Intermediate 2 and Higher levels in session 2004/2005:

- ◆ Candidates who have successfully completed all component Units of the old Course (in diet 2004) can upgrade their external assessment grading in diet 2005 (without undertaking the new Units of the revised Course).

- ◆ Candidates who have been graded in the diet 2004 external examination but who still have to complete an outstanding Unit (under old Arrangements), are allowed to complete that Unit in diet 2004/2005 and thereby gain a Course award in diet 2005 certification.

Accounting & Finance — Advanced Higher

The review of Advanced Higher Accounting & Finance is currently underway with implementation due in session 2005/2006. Until this time, centres should continue to deliver the current Course during session 2004/2005.

Appendix 2

Subject Update — Administration

The Principal Assessors' reports for the 2004 examination diet are now available on SQA's website (www.sqa.org.uk) and can be found in the NQ Administration subject area.

Administration — Standard Grade

Practical Abilities Projects

Practical Abilities Projects have now been distributed to all centres. This year, projects were allocated to centres based on certificated numbers for diet 2004. Extra copies are available to download from the secure area of SQA's website. Any problems should be directed to the Customer Contact Centre on 0845 279 1000 or customer@sqa.org.uk.

Appeals feedback

Feedback from the Principal Assessor following appeals on diet 2004 has highlighted the following point. All centres should ensure that when constructing a prelim paper there should be a correct balance of marks allocated between Knowledge & Understanding and Practical Skills.

Administration — Intermediate 1, Intermediate 2 and Higher

The NQ Review process for this subject has now been completed and the **new Courses are to be implemented from session 2005/2006 onwards**. Course Arrangements documents, Unit Specifications, specimen question papers (one per level) and a guidance document relating to electronic files are now available on SQA's website. NABs (three versions) for each level are also available to download from the secure area of SQA's website and can be accessed via your SQA Co-ordinator.

Electronic files have been made available to support the specimen question papers for Intermediate 2 and Higher Administration Paper 2 and are available to download from the subject area for NQ Administration on SQA's website. Files are available for both PC and Apple users. A guidance document has also been produced and should be read before making use of the files.

Electronic file support will be made available on a pilot basis for diet 2005 examinations. Following evaluation of this pilot, it is hoped that electronic files will be made available to all centres for diet 2006 onwards.

Appeals

Centres should note that in preparing a prelim for Higher Administration, they may make use of Paper 2 (diet 2004) in its entirety. A suitable prelim paper will, however, have to be constructed to cover Paper 1.

Acceptance of Higher Administration for university entrance

Many centres have enquired as to the validity of Higher Administration for acceptance on to undergraduate courses at Scottish universities. At present, the best available advice is to check with each individual university to establish the current entrance requirements. The

University of Strathclyde (including Strathclyde Business School) will accept Higher Administration subject to their published conditions.

Administration transition arrangements — Intermediate 1, Intermediate 2 and Higher levels

The following transition arrangements will be in place following the introduction of the new Administration Courses at Intermediate 1, Intermediate 2 and Higher levels in session 2005/2006:

- ◆ Candidates who have successfully completed all component Units of the old Course (in diet 2005) can upgrade their external assessment grading in diet 2006 (without undertaking the new Units of the revised Course).
- ◆ Candidates who have been graded in the diet 2005 external examination but who still have to complete an outstanding Unit (under old Arrangements), are allowed to complete that Unit in diet 2005/2006 and thereby gain a Course award in diet 2006 certification.

Other Developments

We are pleased to announce further additional support in the area of Administration:

- ◆ Exemplification of standards in Higher Administration under Arrangements — this will be issued to centres during February 2005.
- ◆ Exemplification of standards in Standard Grade Practical Abilities Projects and publication of marking instructions (diet 2004) — this will be issued to centres during February 2005.
- ◆ Professional Development Workshops — more details will be made available in due Course.
- ◆ Provision of a prelim paper for Intermediate 2 (Paper 2 only) and Higher (Paper 2 only) for **one year only** under the new Arrangements — further details will be made available during autumn 2005.

Administration — Advanced Higher

The NQ Review in Administration (Intermediate 1, Intermediate 2 and Higher) is now complete and the Advanced Higher level of Administration has not been subject to the NQ Review process.

Advanced Higher Administration is currently subject to SQA's low uptake policy and no further development will take place until the outcome of this review is known. SQA will keep all centres informed of any forthcoming changes or developments.

Appeals feedback

Feedback from the Principal Assessor following appeals on diet 2004 has highlighted the following reasons for appeals being rejected:

- ◆ Many answers were not of Advanced Higher standard and did not demonstrate the use of higher order skills.
- ◆ Listing answers is not acceptable. Candidates should be comparing, contrasting and analysing in their answers.
- ◆ The report must be a business report and not how the report was completed.

Appendix 3

Subject Update — Business Management

The Principal Assessors' reports for the 2004 examination diet are now available on SQA's website (www.sqa.org.uk) and can be found in the NQ Business Management subject area.

Business Management — Standard Grade

All centres should note that they **must** now be using Version 1.1 of the *Business@Work* CD-ROM. This information was intimated prior to and during the last academic session and many centres have already been using the updated version for some time. It is **essential** that this updated CD-ROM is used for session 2004/2005 onwards as many of the issues with the original version have been addressed in the updated version. Practical Abilities Projects will now be written against the content of the updated CD-ROM (Version 1.1).

Practical Abilities Projects

Practical Abilities Projects have now been distributed to all centres. This year, projects were allocated to centres based on certificated numbers for diet 2004. Extra copies are available to download from the secure area of SQA's website. Any problems should be directed to the Customer Contact Centre on 0845 279 1000 or customer@sqa.org.uk.

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

The NQ Review in Business Management is currently underway affecting Intermediate 1, Intermediate 2, Higher and Advanced Higher and due for implementation in session 2006/2007. It is anticipated that launch seminars will take place during November 2005. Further information will be included in the subject update letter during spring 2005 and in the Business Management subject area of SQA's website.

All centres delivering Advanced Higher are reminded that they **must not use** the paper based on the 'McDonald's' case study in its entirety as the basis of a prelim. This is deemed to be in the public domain and is no longer acceptable.

Online marking website

SQA has been leading the development of a new website which will explain how external assessments for National Qualifications are marked. This website is designed specifically for teachers/lecturers rather than pupils or parents and it aims to explain the principles underlying the marking of assessment evidence and to develop, interactively, the user's skills in applying these principles to a selection of candidate responses. The website is scheduled to be launched nationally late in November 2004 with an initial group of around a dozen high-uptake subjects which includes Higher Business Management. Details of how to access the website can be obtained from SQA Co-ordinators.

Further information

The Principal Assessor has requested that the following information be made available to all centres in addition to the information relating to the online marking website. It is hoped that all centres will find this information useful.

Higher Business Management

Setting a prelim — general principles

Section one

Use appropriate stimulus material for the current standard of exam; it is advisable **not** to use the pre-published materials (eg *Harry's Glazed Expression*, *Short Cuts* or any of the others from this pack which was issued as 'practice' exercises) unless the questions are changed to bring them in line with the current format of this paper. Also make sure that questions asked (in section one and in section two) cover the Course content, eg in *Short Cuts* there is a question on a Business Plan, which is not currently in the Course content.

Bonanza Bingo must not be used — real life situations are now used for section one (for the last three years) and this will continue to be the case. It is acceptable to use the **stimulus material** from a previous section one case study provided it relates to a real life situation. The questions, however, **must** be changed.

Section two

Questions should be **integrated** in nature — ie come from more than one area of study (Outcome). This means that old MIS questions (unchanged) are inappropriate.

Where SQA papers are utilised, the paper should be made up from a **minimum of three** past papers. A past paper (section two) in its entirety is not acceptable.

Ensure that over the two sections of the prelim paper the questions **cover the Course content** in sufficient breadth and depth so that the prelim paper mirrors the external examination

Do not use a section of a past paper (or a paper in the public domain) in its entirety.

The specimen paper and past papers supplied by Leckie & Leckie **must not be used in their entirety**.

Do not split the prelim paper into two separate days.

Show clearly (ie by brackets or underline) where you have awarded marks in the prelim.

Marking

In the marking of the prelim paper, show marks awarded **clearly**, ie not just ticks. Bracket or underline the sentence or even paragraph for which you are awarding a mark. ID (identification) marks are not usually credited when a question asks for a description. Be careful in awarding development marks — in a 100 mark paper it is easy to be over-generous.

Setting a prelim paper

	Do	Do Not
1	Mimic the external exam	‘Overlap’ questions between sections one and two
2	Integrate topics in section two questions	Use half marks
3	Keep the marks available per topic more or less in the same proportion to the time spent on the topic	Use pre-published section one stimulus material without checking (and probably amending) the questions
4	In section one, Question 1 on problems/issues should attract 10 marks	Have a part of a question worth more than 10 marks
5	Restrict the marks available for ‘identification’	Use NAB questions without major amendment
6	Restrict the marks available for ‘definitions’	Use pre-published section two questions in their entirety without mixing/adapting
7	Set maximums for aspects/parts of a possible answer	
8	Reward ‘development’ only if it adds value within the marks available	
9	Use internal moderation when papers are marked by more than one marker	
10	Use the same marker for the same questions in all scripts when there is more than one marker	

The marking scheme should be annotated with instructions to identify, for example, where maximums should be applied, where ID marks will be awarded, where comparisons must be made to gain marks, etc (dependent on the complexity of the question).

It should be remembered that cut-off scores are dependent on the complexity of the questions combined with the quality and consistency of marking. Ideally, a sample of scripts should be cross-marked (internal moderation). Cut-off scores should, therefore, be set appropriately and reference made to the information provided in the Principal Assessor’s report for the current year.

Analysis of marks
Higher Business Management

UNIT (Outcomes)	Time (hrs)	Time (%)	Target marks /100
BUSINESS ENTERPRISE (40 hours)			
Business in Contemporary Society (O1)	13	13%	13
Information and IT (O2)	12	12%	12
Decision Making in Business Enterprises (O3)	10	10%	10
	(35)		
BUSINESS DECISION AREAS (80 hours)			
Internal Organisation (O1)	13	13%	13
Marketing (O2)	15	15%	15
Financial Management (O3)	14/15	14/15%	14/15
Human Resource Management (O4)	11	11%	11
Operations Management (O5)	11	11%	11
	(64/65)		

Analysis of marks
Intermediate 2 Business Management

UNIT (Outcomes)	Time (hrs)	Time (%)	Target marks /75
BUSINESS ENTERPRISE (40 hours)			
Business in Contemporary Society (O1)	13	13%	10
Information and IT (O2)	12	12%	9
Decision Making in Business Enterprises (O3)	10	10%	8
	(35)		
BUSINESS DECISION AREAS (80 hours)			
Marketing (O1)	15	15%	12
Human Resources (O2)	14	14%	10
Finance (O3)	11	11%	8
Operations (O4)	11	11%	8
Uses and Importance of IT (O5)	13	13%	10
	(64)		

Analysis of marks
Intermediate 1 Business Management

UNIT (Outcomes)	Time (hrs)	Time (%)	Target marks /50
BUSINESS IN SOCIETY (40 hours)			
Nature and Importance of Business (O1)	14	16%	8
Role and Main Participants in Business (O2)			
How Business Enterprise Operates (O3)	16	18%	9
	(30)		
INFORMATION IN BUSINESS (40 hours)			
Role of Information in Business (O1)	10	10%	5
Importance of IT to Organisations (O2)	10	10%	5
Software Applications (O3)	10	10%	5
	(30)		
BUSINESS ACTIVITIES (40 hours)			
Marketing (O1)	14	16%	8
Human Resources (O2)	10	10+%	5
Operations (O3)	10	10+%	5
	(34)		

Higher Business Management

Marking support notes for teachers/lecturers

Marks awarded to questions are an indication of the depth of answer being sought and relevant examples will be credited for development of points, where appropriate.

Marks are not necessarily allocated purely for identification, but are dependent on the complexity of the question.

Key words	What does it mean?	How should it be answered?
Advantages and disadvantages (S1, Q5b 2002)	Pros and cons of option(s) — both advantages and disadvantages must be addressed but not necessarily in proportion to gain full marks.	Ensure that marks awarded for advantages are not repeated by straight negatives given for disadvantages.
Analyse (S2, Q2a ii 2000)	Consider, scrutinise, evaluate...	A detailed account should be given of the factors that are to be analysed. Use examples, if you can, to support your findings/opinions.
Compare and contrast (S2, Q4c 2000)	Evaluate — weigh up against — put options side by side. Draw up a distinction between the options.	Differences between items/options should be emphasised. Assess items being examined and stress the unique features of each in comparison to the other(s).
Describe (S1, Q4b 2002)	Explain/illustrate/express.	Definition and/or explanation should be given.
Differentiate	Make a distinction/distinguish between/set apart/separate.	Make a distinction by comparing options/items and defining items/options.
Discuss (S2, Q1c, Q3a 2000)	Debate, examine, confer, talk about, deliberate — infers 'development'.	Negatives and positives of each option should be explored, although this is not necessary in all cases.
Identify and describe (S1, Q2c 2002)	Name/classify/categorise and then explain/illustrate/express.	Define item(s)/option(s) and then explain what it does/how it works/effects...
Justify (S2, Q1b, Q3c, Q5c, 2000)	Give good reasons for/rationalise/give explanation for.	State why a course of action or option has been chosen.
Outline/suggest	Summarise/run through.	Description without too much detail.

Lists attract few marks, eg POCCE (Planning, Organising, Co-ordinating, Controlling, Commanding), POGADSCIE (Problem, Objectives, Gather info, Analyse, Devise, Select, Communicate, Implement, Evaluate).

Principles specific to Higher question paper

Section one

Question 1:

- ◆ Always attracts 10 marks.
- ◆ Always relates to the interpretation item/case.
- ◆ Includes headings under which the question should be answered.
- ◆ All 10 marks cannot be gained under one heading.
- ◆ Headings will attract a maximum number of marks per heading (usually three).
- ◆ There will be a maximum number of marks available if no headings are used.
- ◆ If the question asks only for concerns/problems/issues, ‘solutions’ to the concerns/problems/issues will not be accepted — this question usually asks for identification of problems/issues **only**.

Questions other than Question 1 can be related to the case, but as with Advanced Higher, they can relate to any knowledge from other parts of the Course.

Both sections

- If a diagram **is** asked for, it will attract marks, and the answer will not get full marks unless the diagram is there. If a diagram is **not** asked for, it is likely to attract marks but the diagram is not essential to gain the full mark allocation for the question.
- Within SQA marking schemes, ‘professional judgement’ is inferred. One word answers for ‘descriptions’ are very unlikely to gain marks. Expansion of the answer is usually required (S2, Q4c 2002).
- **No half marks** are awarded.
- If part of an answer is almost right and the candidate goes on to expand on the point enough further through the answer, the whole section should be indicated and awarded the one mark.
- Any **valid** responses should be accepted even if they are not in the marking scheme.
- Maximums are likely to be applied at markers’ meetings.

Intermediate 2 Business Management

Marking support notes for teachers/lecturers

Marks awarded to questions are an indication of the depth of answer being sought and up-to-date examples will be credited for development of points, where appropriate.

Key words	What does it mean?	How should it be answered?
Advantages and disadvantages	Pros and cons of option(s).	Ensure that marks awarded for advantages are not repeated by straight negatives given for disadvantages.
Compare and contrast	Weigh up against — put options side by side. Draw up a distinction between the options.	Differences between items/options should be emphasised. Assess items being examined and stress the unique features of each in comparison to the other(s).
Define	Explain/illustrate — usually a business term.	Definition and explanation should be given.
Describe	Explain/illustrate/express.	Definition and explanation should be given.
Explain	Describe/illustrate/express.	Definition and explanation should be given.
Identify	Name/classify/categorise.	Name/term, eg stakeholders.
Identify/name and describe	Name/classify/categorise and then explain/illustrate/express.	Define item(s)/option(s) and then explain what it does/how it works/affects ...
Justify	Give good reasons for/rationalise/give explanation for.	State why a course of action or option has been chosen.
Outline	Summarise/run through.	Description without too much detail.

Appendix 4

Subject Update — Economics

The Principal Assessors' reports for the 2004 examination diet are now available on SQA's website (www.sqa.org.uk) and can be found in the NQ Economics subject area.

Economics — Intermediate 1, Intermediate 2, Higher and Advanced Higher

The NQ Review in Economics is currently underway affecting Intermediate 2, Higher and Advanced Higher and due for implementation in session 2005/2006. Intermediate 1 Economics is currently subject to SQA's low uptake policy and no further development will take place until the outcome of this review is known. Centres may continue to offer and deliver the Intermediate 1 Units and Course until further notice. SQA will keep all centres informed of any forthcoming changes or developments.

It is anticipated that launch seminars will take place in spring 2005 for the new Courses. Further information regarding the NQ Review will be included in the subject update letter during spring 2005 and in the Economics subject area of SQA's website.

Appeals feedback

Feedback from the Principal Assessor following appeals on diet 2004 has highlighted the following points:

- ◆ The best evidence remains submission of a well-marked and robust prelim.
- ◆ In constructing a prelim, two essay questions on the same topic should be avoided.
- ◆ Questions must be integrative in nature to mirror those in the external examination.

Advanced Higher dissertation

A list of 50 **suggested** topics for the Advanced Higher Economics dissertation are now available in the NQ Economics subject area of the website. All centres currently offering Advanced Higher Economics should note that dissertation topics are no longer subject to ratification by SQA.

We are, however, happy to receive enquiries relating to the dissertation or any other aspect of the Advanced Higher Course. Please contact the Qualifications Officer or the Qualifications Manager in the first instance.