

Our ref: LJ/NQ/B&L

25 November 2002

To: SQA Co-ordinator
Secondary Schools and FE Colleges

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

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Dear Colleague

National Qualifications – Business Management

The contents of this circular should be passed to the member of staff responsible for national qualifications in Business Management. The purpose of this letter is to update centres on issues relating to Business Management. Centres should already be aware that extracts from the relevant Principal Assessor annual reports relating to the 2002 examination diet are available on the SQA website. These extracts raise a number of issues, particularly in the area of candidate performance, and provide valuable information for staff in centres delivering these qualifications. Sections from some of these reports are attached to this notice but we strongly recommend that teachers/tutors read the entire contents of the reports on our website. Specific issues for Business Management are as follows:

Standard Grade 2002

Candidates coped very well with the new format at general and credit levels with evidence in responses that candidates had related well to the stimulus material. The attached Appendix I provides detailed recommendations which centres should familiarise themselves with. Comprehensive details on areas of external assessment in which candidates performed well, where they experienced difficulties and areas of common misunderstanding can be found in the Principal Assessor's annual report on our website.

Standard Grade - Practical Abilities 2002

Overall candidates performed very well in all three levels of reports. Encouragingly, this year there appeared to be more balance between those candidates presented at Credit and General level. Whilst there was still a predominance of Credit presentations, there were certainly more candidates achieving level 3 through the General report rather than as weaker Credit presentations. However, at times during moderation it was clear that some candidates were finding it difficult to tackle the Credit level report. In this respect, centres are encouraged to present candidates at a level which

reflects their true ability. On a very positive note, there appeared to be very few technical difficulties in the running of the CD. It is thought that the telephone helpline, via the education authority contact, contributed to this. Accordingly, the helpline is available again this year. More detailed information on specific issues identified and recommendations for the future can be found in the Senior Examiner annual report on our website.

Intermediate 1, 2, Higher 2002

Candidates coped well with the examination papers although the move towards basing the stimulus material on a 'live' company at Higher level appeared to pose difficulties for some candidates, perhaps because the concerns/problems being experienced by the business were not as clearly visible as in a fictitious situation. Teachers/tutors should note that this approach dove-tails with Advanced Higher and is likely to be continued in future papers.

With regards to questions on Finance at Higher level, it is most likely that all of the finance section will appear within one question in Section 2 – although there might be a question on some other part of the syllabus included within that question. It is still possible, however, that a small finance-related question might feature in Section 1.

The section of the Principal Assessor report providing feedback to centres is attached as Appendix II. Further information on areas of common misunderstanding and other general comments on candidate performance can be found in the Principal Assessor's report on our website.

Advanced Higher 2002

2002 saw a significant increase from 19 (2001) to 197 (2002) candidates who sat this examination. The number of centres rose from 6 to 43. The overall standard of performance was good with some candidates able to produce work of a very high standard. Answers to Section 1 (which is directly on the case study) were generally better than those in Section 2. Candidates who did well were able to:

- give reasoned justification for points made
- give examples from the case study to illustrate their answers (especially in Section 1)
- provide well-structured properly paragraphed answers
- make references to relevant theory
- adjust the length of their answers to the number of marks available for the question
- produce concise answers which made several points in a few lines

The section of the Principal Assessor's report providing feedback to centres is attached as Appendix III. Comprehensive information on areas of external assessment in which candidates performed well and areas of difficulty, together with areas of common misunderstanding can be found in the Principal Assessor's report on our website.

Centres should be aware that there are errors in the diagrams relating to force-field analysis (the arrows are pointing in the wrong direction) and the transformation model (which refers to imports and exports when it should refer to inputs and outputs) in the materials produced by LTScotland (formerly HSDU). SQA is not involved with the preparation of these materials but it is understood that LTScotland are currently dealing with this.

Moderation of Internal Assessment 2002 Intermediate 1, 2, Higher, Advanced Higher

It became clear during moderation that, in most cases, teachers/tutors had worked hard to implement the internal assessment process. Marking was usually undertaken carefully and it was encouraging to see the number of markers who find the time to comment on scripts, particularly those where candidates required additional help. Appendix IV highlights specific issues which were identified and provides useful feedback for centres.

Prelims and Appeals Criteria

Centres generating their own prelim papers sometimes draw heavily on past SQA papers for their questions. This is understandable given the difficulty of creating new questions and question papers from scratch. In such cases, however, centres should note that a past paper in its entirety will not be accepted as evidence to support an appeal. Such papers are available complete with marking schemes through commercial outlets (ie via Leckie and Leckie) and candidates have access to their contents. Similarly, SQA specimen question papers, are not acceptable, unless SQA has indicated otherwise for a specific qualification. However, it is possible for centres to use a judicious selection of individual questions drawn from a range of past papers, and preferably adapted, to make up a prelim paper, but sets of questions should not be lifted *en bloc* from past papers.

Commercially prepared prelim papers can be convenient for centres, but it should be noted that such commercial products are not accredited by SQA and can not be guaranteed to be acceptable as the basis of evidence for appeals. Before being used, these products and associated marking schemes should be evaluated in terms of their validity, reliability and security in the same way as centre- or locally prepared papers. Where candidates have had access to commercially prepared papers, these papers should be regarded in the same way as past SQA papers. Such a paper in its entirety will not be accepted as evidence for appeal purposes if they have been accessible by candidates.

Further information on the above was issued to centres in February 2002 entitled 'Notes of guidance for centres on the Appeals process and on the preparation of evidence to support estimates and Appeals'.

Prelims and Appeals – Standard Grade

Prelims and appeals evidence for Standard Grade for 2003 and beyond should reflect the slightly revised format of the 2002 examination papers at general and credit levels. At foundation level, real or realistic examples will also be welcomed.

Prelims and Appeals – Higher

Please refer to Appendix II for useful information. Please also note the following:

- some adaptation (ie modification of at least one question) should be made when using any Section 1 from a past paper although care needs to be taken to maintain the balance of questions within the section
- It is not currently necessary for centres to use 'live' companies for the stimulus material although it would be preferable if efforts could be made in this respect in future years.

- The prelim paper and solutions issued at the recent Quality Network meetings will be regarded as acceptable, preferably modified, for prelim/appeals purposes this academic year.

Prelims and Appeals – Advanced Higher

The LTScotland (formerly HSDU) produced specimen question paper featuring MacDonald Hotels will be regarded as acceptable in its entirety for prelims/appeals purposes for this academic year only. This case study was written some time ago and is now out of date and, in this respect, centres may wish to consider to what extent a prelim should use a dated case study. Changes to this paper will be required for future years. Centres using this paper in its entirety must, of course, be confident that security and confidentiality are protected in such a way as to ensure that the paper has not been accessible to candidates; as detailed in the general section above. Furthermore, centres should take care with marking this paper because it appears to lend itself to awarding high marks unless teachers/tutors are vigilant and ensure that the marking is equivalent to examination standards. This tendency can be tackled, in part, by operating a 55% pass mark.

NQ Review

Business Management will be undergoing a review over forthcoming months in accordance with the recommendation distributed to centres earlier this year. Further information in this respect will be sent to centres within regular the NQ Review updates.

NABs

The recently published Interim NABs for Business Management were produced in response to requests to reduce the time required for internal assessment. The subject experts involved with this work achieved significant reductions in timings whilst maintaining relatively full coverage of the course. However, and somewhat regrettably, we have received some negative feedback suggesting that some teachers/tutors perhaps prefer an atomistic approach, possibly with selections made available. Consideration will be given to this within the NQ Review of the subject. In the meantime, centres can use any of the NABs which have been published for the subject since Spring 2001.

Exemplars

Sample prelims and associated evidence at Higher level was selected during Appeals this year to produce a pack of exemplars which is scheduled to be distributed to centres within the next few weeks.

Marking

Markers of Business Management will be pleased to learn that the Marker Survey undertaken during 2002 has resulted in a noticeable increase in fees for Business Management. Markers can also be assured that arrangements have been made for an appropriately sized room for the Markers' Meeting for 2003 and for markers to be given three clear weekends to mark their scripts. Like all subjects, the success of Business Management relies on the quality of both delivery and marking and we are always pleased to hear from anyone who would like to mark Business Management. In this respect, please do not hesitate to contact myself directly or obtain an application using the following methods:

- e-mail – appointments@sqa.org.uk
- website – www.sqa.org.uk
- phone – 0131 561 6825
- mail – Appointments Section, SQA, Ironmills Road, Dalkeith EH22 1LE

I hope that the above and attached information is of some value.

Yours faithfully



Lesley Joyce
Qualifications Manager

Encs.

Feedback to Centres

Centres should continue to prepare candidates well for the external assessment through the use of real or realistic examples as found in the 2002 papers. Candidates coped well with the reading and concepts examined at general and credit level.

Centres should consider the use of both paper and electronic sources of stimulus materials. Where appropriate in the 2002 papers, sources have been acknowledged to allow centres to access similar materials. It would be helpful if prelim papers could also acknowledge sources.

On the whole, candidates were well prepared for the knowledge and understanding element of the paper. At general and credit level in particular centres should continue to encourage candidates to answer in sentences and paragraphs with clear descriptions and explanations.

However there are two main areas for centres to focus on for forthcoming examinations –

Justifications and reasons which were sometimes weak. Candidates often gave descriptions instead of justifications and often repeated the same justification over again in the same question. Candidates must be able to clearly distinguish between a description and a justification.

Answering in context – many candidates were able to apply their knowledge in the question context, eg at credit level the question on altering the marketing mix was well done when candidates described how each of the four P's actually related to the Teenscene magazine. A weaker answer simply said, change the product, reduce the price, increase advertising, and change the place where it is sold. Whilst this weaker answer will attract some marks it will not, in future, attract maximum marks.

Centres are also advised that the use of business vocabulary is to be encouraged at all three levels. Many candidates answered in very simple terms instead of using correct terminology.

Whilst candidate responses for ICT questions have improved, there is still a significant number of responses along the 'easier', 'quicker' lines. This is disappointing, especially at credit level. Candidates are expected to be able to describe both the features and advantages of using software applications and any explanations of 'quicker' must have a comparison, eg 'a spreadsheet can perform multiple calculations quicker than using a calculator'.

In terms of 'internet' responses, candidates are expected to have more knowledge than simply replying with 'internet'. If candidates use 'internet' in their answers more clarification is required. Example, 'an advertisement for a job could be placed on a job recruitment site on the internet'. (NB candidates are **not** expected to know specific URL addresses).

Candidates coped very well with methods of advertising and promotion but at general and credit level centres are advised to move away from simply listing methods. More comparison and evaluation of methods regarding audience, cost, benefit etc will be required in future.

Centres are also asked to note that prelim evidence for 2003 and beyond should reflect the format of the 2002 paper at general and credit level. At foundation level real or realistic examples are also welcome.

Feedback to Centres

Because it was a real situation, question one (which is always based on the “case”) was more challenging for candidates. The “concerns” (or problems) facing the business were not as clearly visible as in a fictitious situation. It was not enough for candidates to provide a summary of the text, nor were they asked for solutions to the problems. Many candidates wrote at great lengths about what Edinburgh Crystal should do instead of about the actual problems which were to be identified. It also seemed that a few candidates had learned “an answer” to question one which did not relate to the actual question asked. Candidates should also be encouraged to identify the issues/problems under the appropriate headings indicated (marks can be lost for failing to do this). Candidates should be discouraged from offering solutions when solutions to the problems/issues are NOT asked for. Section One will continue to feature a “real” case as stimulus material, so candidates should be aware that issues/problems will not be as “obvious” as in the past.

More generally, in Section Two, candidates showed some worrying misunderstandings or confusion in the use of business terminology used within the course. Some candidates completely misunderstood questions. Some answers were more in line with Intermediate 2 candidates, failing to make the analysis required of Higher candidates – Centres should be wary of entering candidates at the wrong level. It should be borne in mind that NABs (as they stand at present) test the topic which has just been taught, while the external examination is “integrated” and tests the candidates’ knowledge over the holistic aspects of Business Management (as indicated in the Arrangements)

Quality Circles were frequently confused with TQM or checking products. Candidates confused product mix with marketing mix. There was also confusion between channel of distribution and choice of transport method. Students should be encouraged to ensure that they are familiar with and understand business terms accurately.

The Prelim**Section One**

Use appropriate stimulus 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 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 the Business Plan, which is not in the course content.

Section Two

Questions should be INTEGRATED – ie came from more than one area of study (Outcome) – that means that old MIS questions (unchanged) are inappropriate, unless they are mixed up. The possible exception to this would be the “Finance” question. Also the paper should be “mix and match” from more than one past paper – a past paper (Section 2) in its entirety is unsuitable.

Ensure that over the 2 sections of the prelim the questions cover the whole course content. If you have not covered the whole course by the time of the prelim, for an Appeal, include additional evidence of the outcome(s) covered since the prelim, eg a NAB (although NABs are not normally evidence of candidates’ being able to answer “integrated” questions).

Marking

In the marking of the prelim, show marks awarded CLEARLY, eg not just ticks – bracket/underline the sentence or even paragraph for which you are awarding a mark.

	DO	DON'T
1	Mimic the external exam	“Overlap” questions between Sections 1 & 2
2	Integrate section 2 questions	Use ½ marks in the prelim
3	Keep the marks available per topic more or less in the same proportion as the time spent on the topic	Use pre-published Section 1 stimulus material without checking (and probably amending) the questions
4	In Section 1, restrict the marks available for “problems (and solutions to problems) of the organisation”	Have a part of a question with more than 12 marks
5	Restrict the marks available for “identification”	Use NABS questions without major amendment
6	Restrict the marks available for “definitions”	
7	Set maximums for aspects/parts of a possible answer	
8	Reward “development”	
9	Use internal moderation when more than one marker	
10		

Feedback to Centres

- ◆ Candidates would benefit from practice in using case study material. There is evidence that some centres do try to ‘guess’ what the company in the case study will be but it may be more useful if candidates spent time on applying the course content to case studies of organisations. This may help candidates to tailor the ideas they have learnt to the situation of a particular company and help them avoid the trap of writing out that section of their notes which seems most applicable.
- ◆ Candidates may benefit also from developing skills in exam technique. The exam is demanding and it may help to give candidates practice in skills like reading and assimilating material quickly, adjusting the length of answers to the marks available, producing structured essay type answers.
- ◆ Development marks are important in the exam. Candidates can be encouraged to give reasons for their answers and provide examples to support what they say.
- ◆ Using concepts from the case study is vital in Section 1. Quoting directly from the case study is acceptable providing that the quote is relevant and candidates demonstrate its relevance.
- ◆ Examples from the case study are useful in Section 2 but are less important. Good answers can be achieved without direct reference to it, although better answers are likely to use illustrations from it.

Specific issues identified

A number of specific issues arose, many of which had been identified in previous years. The main ones were:

- ◆ A considerable number of candidates provided answers which were much longer than required to gain good marks. Often, material was included which was not directly related to the question asked. It is understandable that centres wish to give candidates every chance to succeed but candidates may be better prepared for external assessment if timing guidelines were applied rigorously and candidates were encouraged to focus on relevant material. There was evidence though that some centres are addressing this issue.
- ◆ On occasions, it was not easy to determine how marks had been awarded. This generally occurred when there was no apparent connection between ticks and marks awarded. The moderation process becomes easier if the link between ticks and marks is clear, eg 1 tick represents 1 mark. Standard marking conventions can, of course, be used.
- ◆ Some centres continue to use half marks which SQA avoids.
- ◆ There was some inconsistency in marking in some centres. The tendency to be severe but fair remains although there is some evidence that centres are coming to grips with the standard required.
- ◆ In some cases, the answer requires that candidates give a reason (eg to support environmental factors and SWOT analysis). In some cases, marks were given where reasons were not. It is important that, where reasons are expected, candidates gain credit only when they do this.
- ◆ A couple of errors appeared to be widespread ie that charities are publicly funded – which they are not, although they may receive lottery funding, etc that a franchise is a type of business organisation – when it is a way of organising a business operation. The business itself may take any legal form, eg private limited company.

Work from a very small number of centres was marked in a way that gave rise to concern. Mostly, this was where marks had been given for incorrect points or been awarded for points which were not sufficiently developed to warrant a mark. There were no examples where the work of candidates was below the standard but a number were given more marks than the answers warranted.

Feedback to centres

It was very clear during moderation that, in most cases, staff had worked hard to implement the internal assessment process. They should be commended for the work done. Marking was usually undertaken carefully and it is encouraging to see the number of markers who can find time to comment on scripts, particularly those where candidates required additional help.

Overall, marking continues to be severe but fair. However, with experience, centres do seem more able to mark in line with the standard of the course. Very occasionally, some centres had marked a little leniently, especially when awarding high marks for particular assessments.

Some centres again provided useful supplementary material e.g. on internal moderation; annotated marking guidelines; on which NABs had been used and in what circumstances.

Centres may like to consider the following when marking internally assessed work:

- ◆ Developing a system of internal moderation – some centres have very well structured systems and there is no doubt that it helps marking to be more consistent. There may be scope to develop systems between centres where there is not enough staff in one centre to enable internal moderation to take place.
- ◆ Using a clear system of allocating marks – this greatly assists the moderation process as it is clear exactly where marks have been given. Normal marking conventions can be used but are not obligatory. Half marks should be avoided, however.
- ◆ Noting what took place at oral re-assessment – this is perfectly acceptable, especially where candidates are very close to the cut-off score. It is useful to note when oral assessment took place and give a brief indication of what the candidate said. Some centres tackle this issue by asking the candidate to write down what s/he has said.
- ◆ Making sure that marks are awarded when reasons are given, if this is part of the marking scheme. Sometimes, candidates provide reasons which are tenuous so it is important to credit only those reasons which are plausible.
- ◆ Encouraging candidates to produce concise answers which address the question as directly as possible. This reduces the assessment (and marking) burden as well as helping prepare candidates for the external assessment.

Overall, however, centres have worked well. The efforts of centres have meant that the moderation process has been one of confirming that the internal assessment process is running as it should.

Business Management Prelims - additional guidance, particularly when using as evidence to support an assessment appeal

- ◆ Prelim should, ideally, comprise a balanced paper covering all the course (attached grid used when setting paper – number of marks allocated to questions in proportion to the hours taught)
- ◆ A past paper in its entirety is unacceptable as appeal evidence
- ◆ Mix and match of recent papers
- ◆ Section 1 – identification of problems – now allocated 10 marks
- ◆ Section 1 – some questions can be answered for organisations other than the one described in the stimulus material – use of “an” or “any” organisation in questions
- ◆ Section 2 – integrated questions are required
- ◆ Avoid overlap of questions between Sections 1 and 2
- ◆ Subdivisions of questions should not normally carry more than 12 marks
- ◆ Restrict identification and definition marks
- ◆ Avoid using NAB questions in their entirety
- ◆ Set maximums for parts of answers eg advantages and disadvantages of . . .
- ◆ Reward “development”

Consistency of marking across centre

- ◆ Use internal moderation when there is more than one marker
- ◆ When there is more than one marker, use the same marker for the same questions across the Centre

Unacceptable evidence

- ◆ Total mark allocation not the same as external examination (eg out of 85)
- ◆ Scripts unmarked
- ◆ Prelim considered “too easy” – former MIS paper II with reduced marks or “Avon Glen”

Marking of evidence for appeals

Common reasons for prelim mark being adjusted by examination team include:

- ◆ marking severe/lenient
- ◆ scheme not applied correctly
- ◆ marking not consistent across paper
- ◆ marking not consistent across centre
- ◆ scheme not enclosed – show where maximums have been applied or identification marks granted (unclear in BEN solution)
- ◆ cut-off scores not set/indicated

Appeals feedback form

Most commonly ticked box in feedback form was 4b, 4c, 4d.

Most commonly used feedback comment referred to inappropriate use of the contents of the previously distributed MIS pack.

Higher Business Management

Marks Analysis

Unit	Teaching Time %	Target Marks/100
Business Enterprise		
Business in Contemporary Society	13	13
Information and IT	12	12
Decision making in business enterprise	10	10
Business Decision Areas		
Internal organisation	13	13
Marketing	15	15
Financial management	14	15
Human resource management	11	11
Operations management	11	11