Course report 2019

Subject	Business Management
Level	Higher

This report provides information on candidates' performance. Teachers, lecturers and assessors may find it useful when preparing candidates for future assessment. The report is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published assessment documents and marking instructions.

The statistics used in this report have been compiled before the completion of any post-results services.

Section 1: comments on the assessment

Question paper

The question paper is worth 90 marks. This is an increase of 20 marks from the previous year. It has two sections. Section 1 remained unchanged from previous years. Section 2 saw an increase of 5 marks per question. The time allocated has also increased to 2 hours, 45 minutes.

The question paper proved to be a fair assessment and accessible to candidates. Some questions were accessible to all candidates and some were designed to be more challenging. There was evidence that some questions were more easily accessible than intended by more able candidates. This was taken into account when setting the grade boundary for an A grade.

Assignment

The assignment performed as expected. The allocation of marks was altered this year. Marks were removed from the introduction and collating/reporting sections and added to the analysis and conclusion/recommendation sections, making the assignment slightly more discriminatory.

Section 2: comments on candidate performance

Areas that candidates performed well in

Question paper

Question 1(a)(i)	Most candidates were able to describe possible objectives of the NHS. Markers accepted any objectives that were relevant for the NHS.
Question 1(a)(ii)	Candidates generally performed well in this question. They were able to clearly distinguish between the ownership and control of a public limited company and a public sector organisation (NHS).
Question 1(c)	Many candidates were able to explain the costs and benefits of outsourcing. The case study was used appropriately. Information in the case study was developed and not directly lifted.
Question 1(d)(i)	Candidates were able to compare tall and flat structures.
Question 1(d)(ii)	Candidates were able to justify that different regions had differing needs that could be met by this type of grouping. The second mark proved less accessible.
Question 1(e)	The advantages and disadvantages of the virtual learning environment (VLE) were handled well. However, some candidates wrote about training in general; their answers were not specific to VLE.
Question 2(a)	The use of capital-intensive production was well handled.
Question 2(c)	Candidates described the features of an effective inventory system well, with most candidates describing minimum and maximum re-order levels. Some wrote in more general terms about managing inventory effectively, which was also acceptable.
Question 3(a)	Candidates explained the advantages of having a varied product portfolio well.
Question 3(b)	Most candidates displayed good knowledge of pricing strategies.
Question 4(a)	Candidates appeared to understand the differences between internal and external recruitment.
Question 4(c)	Candidates handled sources of finance well.
Question 5(c)	Most candidates were able to make a comparison between operational and strategic decisions.

Question 5(d)	The ways in which managers can measure the success of a decision were handled well.

Assignment

Candidates who used the headings and layout specified in the course specification performed well. Those candidates who were able to analyse their findings and make suitable recommendations based on the analysis gained higher marks.

Many candidates chose wide and focused topics, for example *'the extended marketing mix of xxx'*. This allowed them to research sufficient evidence to analyse and access all the marks available.

Areas that candidates found demanding

Question paper

Question 1(a)(i)	Some candidates included finance as a feature of both organisations. The question did not ask for this.
Question 1(b)	Some candidates wrote about centralised warehousing as opposed to centralised purchasing.
Question 1(f)	Many candidates failed to describe factors involved in planning. Instead, they used direct lifts from the case study to write about what the NHS is actually doing now. This gained no marks.
Question 1(g)(i)	This question proved difficult for most candidates. Many candidates did not submit an answer at all.
Question 1(g)(ii)	Many candidates failed to display an understanding of the contents of a statement of financial position. Instead, they wrote about financial information that would be found in a cash budget or income statement.
Question 1(h)	Candidate explanations were sometimes repetitive. Marketing methods were often given and the mark awarded to this was restricted to 1.
Question 2(b)	This proved a challenging question with many candidates not recognising that a cash budget is a plan; it does not measure current income and expenditure. Some candidates thought a cash budget was used to calculate profit as opposed to a cash surplus. Finance generally remains a difficult topic for most candidates.
Question 2(d)	Knowledge of quality circles appeared limited, with many candidates writing about the quality assurance process.

Question 3(c)	Many candidates wrote about e-commerce in general. Answers were not specific enough to an app.
Question 4(b)	Although candidates understood safety and security needs, few were able to explain ways in which esteem needs could be met, giving answers which referred to the wrong stage of the hierarchy.
Question 4(c)	Candidates demonstrated very poor knowledge of ACAS. Trade unions proved less problematic.
Question 5(a)	Some candidates wrote about general management tasks. In order to gain marks, candidates needed to refer to planning, organising, commanding, controlling, co-ordinating, delegating and motivating. (Fayol's labels).
Question 5(b)	Many candidates struggled with the matrix structure. Some candidates wrote about the Boston Matrix.
Question 5(d)	Many candidates failed to state how the manager could measure success, for example increased profits or decreased staff absenteeism.

Assignment

Background information was often far too lengthy. A short statement indicating what the business does and a description of the main activities of the business is sufficient.

Some candidates strayed from their actual topic. Instead they chose to write about only 4Ps of the marketing mix when the topic is the 7Ps.

There is no need to use an analytical tool.

Research

Some candidates did not explain the value of the research used. They need to explain why the source is useful to the creation of the report. The following are acceptable examples:

'This is first-hand information which is good because the information gathered from my questionnaire is specific for the company's 7Ps, therefore the information is reliable to my report.'

'The information is up to date as I carried it out in January 2019 meaning it will be reliable and accurate to use in my report.'

'One disadvantage of using the company's official website is it may have elements of bias as they want to retain their good reputation by telling customers positive things about the business but this may give a false representation.'

Analysis and interpretation

Many candidates only listed findings and made very few analytical points. Some candidates made points that did not link to the purpose of the assignment. Such analysis gained no marks.

Although unintentional, sometimes the phrasing used by candidates turned an analytical point into a recommendation and no mark was awarded.

Candidates who chose PESTEC as a topic often showed a limited understanding of the difference between internal and external factors.

Conclusions and recommendations

Some candidates offered very few conclusions and this proved to be one of the most challenging areas. Conclusions should be a summary of what has gone before and not just repeated findings.

Candidates gained marks more easily by making recommendations, but these must be justified. Some candidates made recommendations that were not justified anywhere and appeared as new information. The following is an acceptable example of a conclusion:

'I can conclude that xxx put in hard work to make sure they provide initiatives for their customers, to keep the company socially responsible, as well as environmentally friendly.'

Section 3: preparing candidates for future assessment

Question paper

Candidates should read questions carefully, taking into consideration the command words in each section.

Candidates should avoid lifting text directly from the case study to answer a question. They need to develop or explain the information in some way to gain marks.

Assignment

Candidates should adhere to the word count for the assignment — 2,000 words — as a penalty is applied if they exceed it by more than 10%.

Topics must be from the Higher course content. Candidates should choose a topic and an organisation where there is plenty to analyse.

Centres must use the SQA provided template, centres can use this to pre-set fonts, sizes and line spacing, but the template should not include the headings.

Candidates must use the headings listed in the course specification and clearly explain the value of each method of research.

Candidates must base their analysis of findings on researched evidence. They should reference each point and consider whether to use footnotes or refer directly to the appendices.

Candidates must not include recommendations in the analysis section and should link conclusions and recommendations clearly to evidence.

Grade boundary and statistical information:

Statistical information: update on courses

Number of resulted entries in 2018	8756

Number of resulted entries in 2019	8322

Statistical information: performance of candidates

Distribution of course awards including grade boundaries

Distribution of course awards	Percentage	Cumulative %	Number of candidates	Lowest mark
Maximum mark				
A	31.4%	31.4%	2609	86
B	23.9%	55.2%	1988	73
C	20.6%	75.9%	1716	60
D	13.5%	89.4%	1124	47
No award	10.6%	-	885	-

General commentary on grade boundaries

SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.

SQA aims to set examinations and create marking instructions that allow:

- a competent candidate to score a minimum of 50% of the available marks (the notional C boundary)
- a well-prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary)

It is very challenging to get the standard on target every year, in every subject at every level.

Therefore, SQA holds a grade boundary meeting every year for each subject at each level to bring together all the information available (statistical and judgemental). The principal assessor and SQA qualifications manager meet with the relevant SQA head of service and statistician to discuss the evidence and make decisions. Members of the SQA management team chair these meetings. SQA can adjust the grade boundaries as a result of the meetings. This allows the pass rate to be unaffected in circumstances where there is evidence that the question paper has been more, or less, challenging than usual.

- The grade boundaries can be adjusted downwards if there is evidence that the question paper is more challenging than usual.
- The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual.
- Where standards are comparable to previous years, similar grade boundaries are maintained.

Grade boundaries from question papers in the same subject at the same level tend to be marginally different year to year. This is because the particular questions, and the mix of questions, are different. This is also the case for question papers set by centres. If SQA alters a boundary, this does not mean that centres should necessarily alter their boundary in the question papers that they set themselves.