# Course report 2023

## Higher Business Management

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. You should read the report in conjunction with the published assessment documents and marking instructions.

The statistics in the report were compiled before any appeals were completed.

# Grade boundary and statistical information

## Statistical information: update on courses

Number of resulted entries in 2022:          8,962

Number of resulted entries in 2023:          8,709

## Statistical information: performance of candidates

### Distribution of course awards including minimum mark to achieve each grade

| A | Number of candidates | 3,274 | Percentage | 37.6 | Cumulative percentage | 37.6 | Minimum mark required | 84 |
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| B | Number of candidates | 1,924 | Percentage | 22.1 | Cumulative percentage | 59.7 | Minimum mark required | 71 |
| C | Number of candidates | 1,577 | Percentage | 18.1 | Cumulative percentage | 77.8 | Minimum mark required | 58 |
| D | Number of candidates | 1,015 | Percentage | 11.7 | Cumulative percentage | 89.4 | Minimum mark required | 45 |
| **No award** | Number of candidates | 919 | Percentage | 10.6 | Cumulative percentage | 100 | Minimum mark required | N/A |

Please note that rounding has not been applied to these statistics.

You can read the general commentary on grade boundaries in the appendix.

In this report:

♦ 'most' means greater than 70%
♦ 'many' means 50% to 69%
♦ 'some' means 25% to 49%
♦ 'a few' means less than 25%

You can find more statistical reports on the statistics and information page of SQA's website.

# Section 1: comments on the assessment

## Question paper

The question paper generally performed as expected and proved to be accessible to most candidates. Some areas proved more challenging for C candidates and the grade boundary was adjusted at this level to take account of this.

## Assignment

The assignment performed as expected.

# Section 2: comments on candidate performance

## Question paper

Question 1(a)    Many candidates displayed poor knowledge of the sectors of industry and sectors of the economy. They often confused the two or only provided an identified response when the question required a description.

Some candidates thought a plc operated in the public sector.

Question 1(b)(i)    Some candidates lifted content directly from the case study but failed to explain the disadvantages of closing branches.

Question 1(b)(ii)    Most candidates answered this question well. However, a few candidates gave advantages of providing online services to the bank when the question asks for advantages to the customer.

Question 1(c)    Many candidates recognised that increased interest rates would benefit Santander as their customers would pay more on any loans they have taken out. A few acknowledged that Santander would have to pay savers a higher rate.

Many candidates were able to state that decreased tax rates would mean Santander kept more of their profits. A few recognised that it would result in savers having more disposable income to put in the bank.

Question 1(d)(i)    Many candidates lifted content from exhibit one as their answer and did not go on to describe the benefit. Benefits were often repeated for each product for example, the customer can pay back over a time period. Most candidates displayed poor knowledge of asset finance and hire purchase stating that the customer was hiring a vehicle for a short period of time. Some candidates displayed a poor understanding of mortgages being secured against property.

Question 1(d)(ii)    Most candidates handled the question well. A few saw the portfolio as being a document showing options of products as opposed to the range of products making up the bank's product portfolio.

Question 1(e)    Most candidates displayed good knowledge of field research methods. Some, however, failed to describe the method. For example, 'a telephone interview is when you call someone on the phone and ask them questions' is an acceptable description of a telephone interview. Some candidates gave very similar descriptions for different types of surveys such as telephone, online, postal.

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| Question 1(f) | Many candidates failed to explain the benefit of receiving quality awards. |
| Question 1(g)(i) | Most candidates failed to describe the Profit for the Year ratio. |
| Question 1(g)(ii) | Most candidates were able to state that an increase in customers and a decrease in expenses will increase Profit for the Year. |
| Question 2(a) | Many candidates failed to explain the impact of the Equality Act, giving a description or features of the contents. |
| Question 2(b) | Most candidates were able to describe methods of growth. Some found distinguishing between conglomerate and lateral integration challenging. |
| Question 2(c)(i) | Many candidates were able to explain the benefits of using spreadsheets. |
| Question 2(c)(ii) | Many candidates were not specific about the technology they were referring to, giving general points about the use of software. Some did not relate their answer to the operations department. |
| Question 3(a) | Most candidates answered the advantages and disadvantages of internal recruitment well. |
| Question 3(b) | Many candidates described selection methods as opposed to methods of testing. |
| Question 3(c) | Most candidates were able to discuss the use of staff training, giving both advantages and disadvantages. |
| Question 3(d) | Most candidates displayed poor knowledge of Herzberg's theory of motivation. A few candidates handled the question very well. |
| Question 4(a) | Most candidates handled the advantages and disadvantages of running a franchise for the franchisee well. |
| Question 4(b) | Most candidates were able to describe the features of strategic decisions well. |
| Question 4(c) | Many candidates were able to describe the conflict of interest between employees and managers. Some candidates only gave one side of the conflict.<br><br>Many candidates found describing interdependence between employees and managers challenging. |

| Question 4(d) | Most candidates described the profitability levels at different stages of a product's life cycle well. Some candidates failed to refer to profitability, only sales. |
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| Question 5(a) | Most candidates described the ways business can demonstrate good corporate social responsibility very well. |
| Question 5(b) | Most candidates were able to distinguish between labour-intensive and capital-intensive production well. |
| Question 5(c) | Many candidates handled the question on centralised storage well. Some candidates made the assumption that centralised storage results in overstocking and waste. |
| Question 5(d) | Most candidates were able to discuss the use of a mystery shopper well. |

## Assignment

Candidates who used the headings and layout specified in the coursework assessment task 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 focused topics, for example 'the extended marketing mix of X'. This allowed them to research sufficient evidence to analyse and access all the marks available. Some candidates chose topics that did not allow them to access sufficient information to analyse. PESTEC, ethics and corporate social responsibility proved, for many, to be more challenging topics. A few candidates chose 'how X can improve their business' or 'the business model of X'. These topics proved to be a bit too general and did not really focus on a topic from the course content.

A few candidates chose two organisations to base their report on. This should be avoided, as the coursework assessment task states that it should be one organisation.

Several candidates chose more than one topic despite the instructions stating candidates should 'carry out research, analyse information and write a report on **an** organisation and business **issue** of your choice'. Internal and external factors are seen as two separate topics.

Some candidates included an analytical technique such as a SWOT analysis, which is no longer required and, in many cases, brought extra complexity.

Most candidates explained their research methods well.

The analysis section was handled well by many candidates who made clear analytical points. Some candidates, however, made points in the analysis section which did not link to a research area. This made the analytical points irrelevant to the report.

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

Most 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. An example of a conclusion is 'to conclude, X offers many promotional offers in which they are very successful in keeping customers purchasing more so that they keep coming back which is therefore expanding their customer loyalty and profits'.

Candidates gained marks more easily by making recommendations. These must be justified in the report, either in the same section or earlier in the analysis section. Some candidates made recommendations that were not justified anywhere and were not credited with marks. Additional marks were awarded if a negative point of the recommendation was given as development.

# Section 3: preparing candidates for future assessment

## Question paper

Candidates should read questions carefully, taking into consideration the command words in each section. When answering a 'distinguish' question, care should be taken to make a very clear distinction between the two points, not just +'one can and the other cannot'. When asked to discuss, advantages and/or disadvantages are expected.

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.

Candidates should look at the number of marks allocated to each question and write sufficient points to gain the marks. Some candidates write too much and risk not completing the whole paper.

Centres should ensure all content areas detailed in the Business Management course specification are covered.

Centres should put further emphasis on the finance topics.

Candidates and centres should practise using case studies, making sure that information in the case study is used, when required, to answer a question.

Candidates whose handwriting is difficult to read, should consider submitting word processed scripts. These should be printed in 1.5 or double line spacing for ease of marking.

## Assignment

Candidates should make the purpose of their report clear in the first section.

Topics must be from the Higher course content. Candidates should choose one topic and one organisation that allows them to have sufficient content to analyse.

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 research. Candidates must not include recommendations in the analysis section. Conclusions and recommendations must link clearly to evidence. Candidates should avoid repeating analytical points in the conclusion section.

There is no need to use an analytical technique.

Centres should be aware that it is permissible to give reasonable assistance to candidates. This includes advice on choosing a topic, sources of information, and the likely availability or accessibility of resources. Advice may be given on the structure of the report. This information is available in the SQA document 'Guidance on conditions of assessment for coursework' on SQA's website.

Centres and candidates should make use of the Understanding Standards website (www.UnderstandingStandards.org.uk) because sections of reports have been exemplified for learning purposes.

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

Centres must use the SQA provided template as reports are scanned and marked from image.

# Appendix: general commentary on grade boundaries

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

For most National Courses, SQA aims to set examinations and other external assessments and create marking instructions that allow:

♦ a competent candidate to score a minimum of 50% of the available marks (the notional grade C boundary)
♦ a well-prepared, very competent candidate to score at least 70% of the available marks (the notional grade 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 for each course to bring together all the information available (statistical and qualitative) and to make final decisions on grade boundaries based on this information. Members of SQA's Executive Management Team normally chair these meetings.

Principal assessors utilise their subject expertise to evaluate the performance of the assessment and propose suitable grade boundaries based on the full range of evidence. SQA can adjust the grade boundaries as a result of the discussion at these meetings. This allows the pass rate to be unaffected in circumstances where there is evidence that the question paper or other assessment has been more, or less, difficult than usual.

♦ The grade boundaries can be adjusted downwards if there is evidence that the question paper or other assessment has been more difficult than usual.
♦ The grade boundaries can be adjusted upwards if there is evidence that the question paper or other assessment has been less difficult than usual.
♦ Where levels of difficulty 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 on year. This is because the specific questions, and the mix of questions, are different and this has an impact on candidate performance.

This year, a package of support measures was developed to support learners and centres. This included modifications to course assessment, retained from the 2021–22 session. This support was designed to address the ongoing disruption to learning and teaching that young people have experienced as a result of the COVID-19 pandemic while recognising a lessening of the impact of disruption to learning and teaching as a result of the pandemic. The revision support that was available for the 2021–22 session was not offered to learners in 2022–23.

In addition, SQA adopted a sensitive approach to grading for National 5, Higher and Advanced Higher courses, to help ensure fairness for candidates while maintaining

standards. This is in recognition of the fact that those preparing for and sitting exams continue to do so in different circumstances from those who sat exams in 2019 and 2022.

The key difference this year is that decisions about where the grade boundaries have been set have also been influenced, where necessary and where appropriate, by the unique circumstances in 2023 and the ongoing impact the disruption from the pandemic has had on learners. On a course-by-course basis, SQA has determined grade boundaries in a way that is fair to candidates, taking into account how the assessment (exams and coursework) has functioned and the impact of assessment modifications and the removal of revision support.

The grade boundaries used in 2023 relate to the specific experience of this year's cohort and should not be used by centres if these assessments are used in the future for exam preparation.

For full details of the approach please refer to the National Qualifications 2023 Awarding — Methodology Report.