



Course Report 2018

Subject	Business Management
Level	Higher

This report provides information on the performance of candidates. 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

Summary of the course assessment

Component 1: question paper

The question paper is worth 70 marks and has two sections. Section 1 has questions based on a business case study and is worth 30 marks. Section 2 has four questions broken into two or three parts and is worth 40 marks.

The paper was a fair assessment and accessible to candidates. The case study proved to be slightly less demanding than intended. Some overlap was possible between questions 1(a) and 1(b) and questions 1(e) and 5(c). These factors were taken into account when setting the grade boundaries.

Component 2: assignment

The assignment is worth 30 marks. Candidates must research a business topic from the Higher course content. They then analyse the information, provide appropriate conclusions and recommendations, and use this to produce a business report.

The assignment performed as expected. No changes were made to how the marking instructions were applied.

Section 2: comments on candidate performance

Areas in which candidates performed well

Component 1: question paper

- Question 1(a) Most candidates described the benefits of being a multinational company.
- Question 1(b) Candidates performed well in this question. There was an unforeseen opportunity to gain marks in question 1(a) and 1(b) for the same answer, as they both related to growth.
- Question 1(f) Most candidates performed well in this question. Some also gave disadvantages in their responses. Although 'discuss' allows for both positive and negative points to be made, candidates were specifically asked only for the benefits.
- Question 3(a) Generally candidates performed well in this question. Although, many were unable to describe debentures accurately.
- Question 5(a) Candidates described the objectives of third sector organisations well.
- Question 5(c) Candidates performed well in this question. They had to explain the impact of at least two environmental factors. This question proved a little too accessible, as two examples of 'weather' were accepted, provided the impacts were different.

Component 2: assignment

Candidates who used appropriate headings and layout exemplified in the Understanding Standards resources and webinar materials on SQA's website, performed well.

Many candidates chose wide and focussed 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 which candidates found demanding

Component 1: question paper

- Question 1(c) Some responses discussed training methods in general. Candidates were asked to refer to the case study, therefore, marks were only available for the apprenticeship scheme (on the job) and the BT Academy (off the job).
- Question 1(d) Candidates did not know how to improve ratios. When the ratio was named, the step had to be accurate (for example gross profit ratio is not improved by increasing sales, it is improved by increasing unit selling price). It was evident that some candidates did not understand the terms profitability and liquidity.

- Question 1(e) Some candidates could not explain the impact on profits, referring only to sales. Some only described the stage of the product life cycle.
- Question 1(g) Some candidates misunderstood the term 'conflict', making reference to disagreements between stakeholders. Many used BT, the organisation, incorrectly as a stakeholder.
- Question 2(a) Candidates were asked to 'discuss' just in time (JIT) production, so no marks were awarded for a description. Some candidates described production methods in error.
- Question 2(b) Candidates had limited knowledge of centralised warehousing. Some confused it with centralised storage of inventory within the same building.
- Question 2(c) A few candidates misread this question and discussed the expense of robotics, rather than why investing in robotics is worthwhile.
- Question 3(b) Candidates did not know the purpose of preparing a statement of financial position. Many did not know what a financial statement was, confusing it with a cash budget or income statement.
- Question 3(c) Some candidates were not specific enough in their response to this question. For example templates and formulae had to be mentioned to gain marks about a spreadsheet. Although most candidates chose to justify spreadsheets, other forms of software were acceptable.
- Question 4(a) Some candidates confused types of market research (desk and field) with methods (for example internet surveys, personal interviews) and gained no marks.
- Question 4(b) Candidates did not know the role of public relations (PR), with some confusing PR with HR (human resources).
- Question 4(c) Some candidates did not recognise the term 'loss leader' and gave the benefits of other pricing tactics.
- Question 5(b) This question proved difficult for many candidates who had poor knowledge of groupings. The question did prove to be discriminatory.

Component 2: assignment

Introduction

Some candidates could not explain the reason why they used the analytical tool. This was needed to gain the mark.

Background information was often far too lengthy. A short statement indicating what the business does, and describing the main activities of the business is sufficient. This is important, as a word count will be introduced for 2018–19.

Research

Some candidates did not explain the value of the research used. Some only gave a purpose, with no value at all. The following are acceptable examples:

“I used xxx’s website to find background information on the company and their store locations. This was secondary information making it harder to analyse, however it was free for me to access whenever I wanted.”

“It is also constantly updated meaning the information was up to date.”

Further examples are available in the Understanding Standards section of the subject page on SQA’s website.

Some candidates used a third party SWOT analysis as a research source. This is acceptable as a source for a finding, if referenced, but not as a research method.

Analysis and interpretation

Although many candidates achieved higher marks than in previous years, many still only listed findings and made very few analytical points. Some candidates made points that did not link to the purpose of the assignment and their analysis gained no marks.

Candidates should take care when phrasing analytical points. Candidates making a recommendation in this section were not awarded a mark for analysis if they used poor phrasing.

Some candidates chose to research the impact of external factors using PESTEC as an analytical tool. They showed a limited understanding of the difference between internal and external factors.

When using a SWOT analysis, many candidates interpreted opportunities as a solution to an internal weakness, not recognising that opportunity is an external factor. They made recommendations, but did not gain marks, as recommendations should be made in the ‘conclusions and recommendations’ section.

Conclusions and recommendations

Some candidates offered very few conclusions and this proved to be the most difficult section of the assignment. Conclusions should be a summary of what has gone before and not just repeating findings.

Candidates gained marks more easily by making recommendations, but these need to be justified somewhere in the report and should not appear in the recommendation section as new information.

The following is an acceptable example of a conclusion:

“I can conclude that xxx’s pricing strategies are keeping the market share high for xxx.”

Further examples are available in the Understanding Standards section of the subject page on SQA’s website.

Section 3: advice for the preparation of future candidates

Centres should make themselves familiar with the course specification for 2018–19.

Component 1: question paper

The question paper is worth 90 marks. Section 1 is worth 30 marks. Section 2 is worth 60 marks and contains four questions worth 15 marks each. A section of a question can be worth up to 8 marks. The duration of the question paper has been extended to 2 hours and 45 minutes.

Candidates must read questions carefully, taking account of the command words in each question and must ensure that their answers are legible.

Word-processed responses should be printed in double-line spacing and the end of the script clearly highlighted. Pages should be numbered.

Component 2: assignment

The assignment is worth 30 marks. This is 25% of the overall marks for the course assessment. There is a word count of 2000 words.

Candidates must carry out the assignment on an individual basis. Research, data collection and analysis must be completed independently. Centres must adhere to the specific requirements of the conditions of assessment for the assignment.

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

Candidates must use the headings listed in the coursework assessment task and explain the value of each method of research clearly.

When analysing findings, candidates must base this on researched evidence. It is clearer if they reference each point and candidates should consider using footnotes or referring directly to the appendices.

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

Centres should refer to the Understanding Standards section of the subject page on SQA's website, which exemplifies candidates' work and explains the reasoning behind the marks awarded.

Grade boundary and statistical information:

Statistical information: update on courses

Number of resulted entries in 2017	9117
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Number of resulted entries in 2018	8756
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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%	2753	73
B	26.9%	58.3%	2353	62
C	20.0%	78.3%	1752	52
D	7.3%	85.6%	641	47
No award	14.4%	-	1257	-

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 which allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and 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 Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.

- ◆ The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.

Grade boundaries from exam 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 exams set by centres. If SQA alters a boundary, this does not mean that centres should necessarily alter their boundary in the corresponding practice exam paper.