



Business Management

Guidance on modifications to Advanced Higher course assessments for session 2020–21

October 2020

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Overview

The following topic and/or subtopic areas of content **will not** be directly assessed in the 2021 Advanced Higher Business Management question paper:

- ◆ Global business — ASEAN only
- ◆ Leadership — full topic
- ◆ Time and task management — full topic
- ◆ Equality and diversity — some subtopics only

We have highlighted* these in the following extract from the course support notes, taken from the *Advanced Higher Business Management Course Specification*.

You should use this guidance to help you plan which parts of the course to emphasise for session 2020–21, as it highlights course content that will not be directly assessed in the 2021 question paper.

The original content of the course has not changed. Candidates will continue to be credited for relevant knowledge used to answer a question in the question paper, including knowledge from the highlighted, not directly assessed, course content.

Centres should continue to deliver the course as normal, however, teachers and lecturers can decide timing and depth of delivery, and if they want to internally assess the areas not directly assessed in session 2020–21.

*see columns 2 and 3 for highlighted text

The external business environment			
Topic		Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Global business	<ul style="list-style-type: none"> ◆ effects of globalisation on business ◆ reasons for the growth of multinational corporations (MNCs) 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ increasing importance of global operations in terms of, for example markets, all stakeholders, competitors, and reduced trade barriers ◆ costs and benefits of globalisation to businesses, for example language barriers or the chance to gain economies of scale ◆ main reasons for the rapid growth of MNCs, for example falling cost of transport, technological advancements, and the emergence of new markets being close to raw materials 	<ul style="list-style-type: none"> ◆ bringing in an article referring to an MNC to summarise and/or discuss the article with the rest of the class; this could be a regular activity, for example weekly ◆ researching MNCs using a variety of media, for example the internet and business magazines ◆ looking at MNCs' annual reports to identify and explain factors that have led to their growth
	<ul style="list-style-type: none"> ◆ foreign direct investment ◆ joint ventures 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the ways in which MNCs grow, including the costs and benefits to organisations of: <ul style="list-style-type: none"> — creating new purpose-built production facilities abroad — buying over an existing business abroad — setting up joint ventures with other organisations 	<ul style="list-style-type: none"> ◆ reviewing and discussing current articles about the activities of MNCs that have undertaken foreign direct investment or have set up joint ventures
	<ul style="list-style-type: none"> ◆ transfer pricing ◆ exploitation of local resources 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ definition of transfer pricing 	<ul style="list-style-type: none"> ◆ using current articles to illustrate these issues and/or practices

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	<ul style="list-style-type: none"> ◆ foreign influence on the economy 	<ul style="list-style-type: none"> ◆ reasons MNCs use transfer pricing ◆ use of transfer pricing by organisations and its effects on: <ul style="list-style-type: none"> — tax paid — profits — home countries — host countries ◆ ways in which MNCs exploit local resources and the effects of exploitation of local resources, for example depleting water supplies ◆ ability of MNCs to reduce costs because of, for example cheaper costs of land, labour, less stringent employee legislation, and lower health and safety standards ◆ pressures MNCs put on governments when introducing new legislation and the threat to leave a country when in disagreement with national policies 	
	<ul style="list-style-type: none"> ◆ multinational corporations: <ul style="list-style-type: none"> — effects on host country — effects on home country 	<p>Candidates should be aware of the costs and benefits to the:</p>	<ul style="list-style-type: none"> ◆ preparing group presentations on the effects of being a host country or the effects of being a home country

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		<ul style="list-style-type: none"> ◆ host country of an MNC operating in it, for example exploiting resources or improving infrastructure ◆ home country of an MNC operating from it, for example repatriating profits or the lack of unskilled employment 	<ul style="list-style-type: none"> ◆ debating in class the costs and benefits to a country of being both a home and a host country to MNCs
	<ul style="list-style-type: none"> ◆ effects of the UK trading with: <ul style="list-style-type: none"> — the EU — ASEAN — China 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ founding purpose and aims of the EU and ASEAN ◆ costs and benefits to the UK and UK organisations of trading with the EU, ASEAN and China ◆ effects of the European Single Market on the UK and UK organisations ◆ continuing impact of the EU Social Chapter on UK organisations ◆ reasons for the changes in the Chinese manufacturing industry 	<ul style="list-style-type: none"> ◆ using current media articles relating to the ways the UK trades with the EU, ASEAN and China ◆ using current media articles to investigate the ways the EU, ASEAN and China are changing, and discussing how this affects the UK and UK organisations
Current issues	<ul style="list-style-type: none"> ◆ business ethics ◆ corporate social responsibility ◆ environmental issues ◆ government influence 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ business ethics — distinguishing between right and wrong, making the right choice, and ensuring that ethical actions are in accord with moral values 	<ul style="list-style-type: none"> ◆ discussing case studies involving ethical dilemmas ◆ interviewing local business people or visiting local businesses to explore and

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	<ul style="list-style-type: none"> ◆ technological developments 	<ul style="list-style-type: none"> ◆ corporate social responsibility — organisations going above and beyond the law ◆ the costs and benefits to UK organisations of business ethics, corporate social responsibility and environmental issues ◆ the impact of government activity on UK organisations of, for example monetary policy, fiscal policy, legislation and social policy ◆ financial support and advice to UK organisations by government bodies ◆ the costs and benefits to UK organisations of various technological developments, including e-commerce ◆ the impact that current issues can have on whole organisations or on individual departments within an organisation, for example marketing, HR, operations, and finance 	<p>evaluate attitudes to corporate social responsibility</p>

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Management	<ul style="list-style-type: none"> ◆ roles of management, as described by Fayol and Mintzberg ◆ management theories: <ul style="list-style-type: none"> — classical — administrative (Fayol) — scientific (Taylor) — bureaucratic (Weber) — human relations (Mayo) — neo-human relations (McGregor) — contingency 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ roles of management as advocated by Fayol (including Fayol's 5 Functions of Management and 14 Principles of Management), and how carrying out these roles can have an impact on organisations ◆ 3 categories and 10 roles of management as advocated by Mintzberg, and how carrying out these roles can have an impact on organisations ◆ costs and benefits to organisations and employees of all the management theories listed ◆ ways the management theories listed are used in current business practice 	<ul style="list-style-type: none"> ◆ discussing articles about different approaches to management, for example: <ul style="list-style-type: none"> — Does money ever cease to motivate? — In what type of organisations is a bureaucracy appropriate? ◆ watching online videos of different schools of thought for management in action, both today and in the past
Leadership	<ul style="list-style-type: none"> ◆ leadership theories: <ul style="list-style-type: none"> — trait — contingency 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ costs and benefits to organisations and employees of the trait and contingency leadership theories (for example Fiedler's and Handy's) ◆ factors influencing the type of leadership adopted, for example staff skills, the nature of the task, and the qualities of a leader 	<ul style="list-style-type: none"> ◆ holding interviews with local managers and/or members of a management team

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Teams	<ul style="list-style-type: none"> ◆ Tuckman's stages of group development ◆ characteristics of effective teams ◆ Belbin's team roles ◆ impact of team working on organisations and employees 	<p>Candidates should be aware of the:</p> <ul style="list-style-type: none"> ◆ features of each stage of group development, including adjourning (mourning) ◆ ways that stages of group development can have an impact on organisations ◆ characteristics of effective teams, for example Belbin's team roles, the size of the team, and clarity about the task ◆ impact of teams on organisations, departments, and/or individuals and team members 	<ul style="list-style-type: none"> ◆ completing the Belbin team roles questionnaire, followed by discussing whether they identify with the characteristics of the role ◆ carrying out team tasks, followed by debriefing to explore the issues raised, for example what contributed to the success or failure of the team ◆ preparing a report on their experience in the team, and how far it fits in with theory
Time and task management	<ul style="list-style-type: none"> ◆ principles ◆ methods ◆ use 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the benefits of good time management ◆ the problems that can arise if time is not managed effectively ◆ time stealers that can affect the management process ◆ a range of time and task-management techniques used by managers ◆ how managers can, for example use time and task techniques to improve effectiveness 	<ul style="list-style-type: none"> ◆ using time and task-management principles, for example identifying personal short-term and long-term goals, followed by keeping a time log for a few days, then analysing the percentage of time spent on goal-related activities and identifying the time stealers ◆ applying time-management techniques, such as prioritising work and minimising interruptions, to eliminate time stealers and use time more effectively

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Managing change	<ul style="list-style-type: none"> ◆ stages of change, based on Kurt Lewin's theory ◆ approaches to managing change, for example top-down, participative, negotiated, piecemeal, and action-centred ◆ factors affecting the success of change management 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the features of the stages of change, as advocated by Kurt Lewin ◆ the benefits of having an effective change-management programme ◆ the reasons for resistance to change ◆ the advantages and disadvantages of top-down, participative, negotiated, piecemeal and action-centred initiatives ◆ what change agents are used for ◆ the factors affecting the success of change management, for example organisational culture 	<ul style="list-style-type: none"> ◆ interviewing a local business person or a senior member of staff about a recent change their organisation has introduced, then evaluating the approach used in terms of how it fits with change-management theory, the way it was introduced, and its effectiveness
Equality and diversity	<ul style="list-style-type: none"> ◆ impact of the Equality Act on organisations 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ the nine protected characteristics as described in the Equality Act ◆ description of the types of discrimination at work, for example: <ul style="list-style-type: none"> — direct discrimination — discrimination by association — discrimination by perception — indirect discrimination — victimisation and harassment 	<ul style="list-style-type: none"> ◆ interviewing local managers and/or members of a management team about equality and diversity issues ◆ reviewing and discussing case studies relating to the impact of the Equality Act ◆ reviewing case studies showing examples of discrimination and discussing how it could be avoided by companies

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		<ul style="list-style-type: none"> ◆ employees' right to complain after experiencing harassment or victimisation ◆ any reasonable adjustments and other exceptions ◆ the direct impact the Equality Act has in terms of recruitment, selection, leave and time off, pay and benefits, training, transfers, promotion, facilities, disciplinary issues, dismissal, and retirement ◆ the challenges of equality issues, such as the 'glass ceiling' ◆ the impact of a diverse workforce 	

Evaluating business information			
Topic		Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
Research	<ul style="list-style-type: none"> ◆ research techniques, referencing, bibliography, and footnotes 	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ◆ reference and draw up a bibliography when presenting the findings of a piece of research (including Harvard referencing) ◆ use footnotes in a piece of work 	<ul style="list-style-type: none"> ◆ carrying out personal research ◆ choosing and applying desk research techniques ◆ applying referencing, bibliography, and footnote techniques
Analytical techniques	<ul style="list-style-type: none"> ◆ preparing, describing and analysing: <ul style="list-style-type: none"> — a force field diagram ◆ describing and analysing: <ul style="list-style-type: none"> — the critical path — a Gantt chart ◆ using all three analytical techniques in decision making 	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ◆ prepare a force field diagram and use it to identify if a particular change should take place ◆ <p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ ◆ the features of the three analytical techniques and any of their component parts ◆ the advantages and disadvantages of each of the three analytical techniques ◆ the ways the three analytical techniques are used to support strategic decisions or assist in time and task management ◆ the ways the three analytical techniques are used to make or justify decisions ◆ how a critical path and Gantt chart can be used to measure progress (where appropriate) 	<ul style="list-style-type: none"> ◆ reviewing case studies to present current situations, and preparing force field diagrams: <ul style="list-style-type: none"> — discussing, as a class or group, to identify the most significant drivers and resistors for the change — discussing the difference between assets for change and drivers for change ◆ accessing examples of Gantt charts and critical path analysis, as well as instructions on how to construct them ◆ discussing with local business owners and/or managers (visiting the class) the advantages and disadvantages of different analytical techniques used to assist in the decision-making process

Evaluating business information			
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Evaluating financial and other information	<ul style="list-style-type: none"> ◆ reaching conclusions from: <ul style="list-style-type: none"> — reported financial information — annual reports — government statistics — market data — customer surveys 	<p>Candidates should be aware of:</p> <ul style="list-style-type: none"> ◆ how to analyse and evaluate information from the sources listed and any other relevant source ◆ any limitations and/or bias of the sources ◆ how to analyse sources to reach justified conclusions ◆ how evaluation of specific business information can be used to measure an organisation's progress and explain reasons for changes in performance 	<ul style="list-style-type: none"> ◆ reading a collection of annual reports of UK private limited companies and using the financial data to analyse performance ◆ using accounting ratios to reach conclusions about liquidity, profitability, and efficiency ◆ making comparisons from one financial period to others within one organisation to compare performance, including looking at key performance measures (KPMs) ◆ examining financial information critically, with an awareness of its limitations as a basis for decision making ◆ examining market research statistics and/or government statistics to make a judgement for future action