CONTENTS

Cambridge International Diploma in Business - Modules

BUSINESS ORGANISATION AND ENVIRONMENT

Paper 5161
Standard

General comments

The nature of this paper is now quite well established and its aim is to encourage candidates to demonstrate not only elementary business knowledge but also the ability to apply it to tasks based on a case study. All the assessment objectives of the syllabus are covered. Candidates are required to undertake eighteen tasks of which all but two of them are 5 mark tasks.

Candidates are expected to respond in context although marks are not denied because some answers are in more general terms. Higher marks will always be awarded to those candidates who indicate a clear understanding and interpretation of the issues in the case study. Tutors and candidates are advised to consult past papers and marking schemes as part of the preparation process for the examinations.

Whilst the general layout of scripts has improved, examination technique generally remains a concern. Failure to carry out instructions may cost a candidate valuable marks which may make the important difference between pass and fail. It is not uncommon for a candidate, for example, having been asked for two features to identify three or four. The Examiner is justified in marking that part of a response which is precisely in accordance with the task although, in practice, every effort is made to reward a candidate where knowledge is obvious.

No apologies are offered for rehearsing, yet again, some basic guidelines of examination technique. Tutors are asked to make a positive attempt to encourage their candidates to:

- Read the Examiner's instructions very carefully
- Ensure they fully understand what the Examiner wants them to do
- Lay out their responses to tasks cleanly and clearly
- Appreciate that some tasks are worth more marks than others and respond accordingly
- Manage the examination time sensibly and effectively.

The fourth point is worth some reiteration since a number of candidates do not always acknowledge the difference between a 5 mark task and a 10 mark one. There are only two 10 mark tasks in the paper but candidates should recognise that these larger tasks need more detail than is required by 5 mark tasks. Equally, candidates should be careful not to over-answer the smaller tasks.

Candidates are given 15 minutes' reading time in order to allow them to become acquainted with the case study and the nature of the tasks. Candidates should use that time effectively.

It is recognised that most of the candidates will be tackling the paper in a second language. The quality of English is not taken into account when assessing a script. Incorrect spelling and/or grammar are ignored in favour of the facts and discussions in the responses.

Comments on specific tasks

Task 1

(a) Candidates were asked to explain *two ways* in which Jiang could raise capital other than by accepting the investment offered by his former army colleagues. There were only a few likely sources and they included overdraft, debenture, loans, and ploughed-back profit. Most candidates understood this task and gave two appropriate sources although few mentioned ploughed-back profit. Just listing two ways earned one mark each but in order to earn 3 or more marks candidates were required to explain or define them.

(b) Explaining the purpose of a Partnership Agreement gave a significant number of candidates 4 or 5 marks. Most were able to offer a workable definition and identify the contents of such an Agreement. The Examiner wanted to read that the Agreement sought to regulate the organisation of a partnership and that it contained, for example, each partner's capital contribution; each partner's share of the profit and liability in the event of debt; and the means of resolving disputes. Some candidates were able to point out that the Agreement took precedence over the Partnership Act.

(c) Candidates were asked to explain what unlimited liability meant and how it could affect Jiang. A definition was called for and candidates, recognising that Adventures Unlimited was unincorporated, knew that Jiang was personally liable for all the debts of the firm. However, the general weakness in most responses was that the definition was not related to Jiang's situation. This was an instance where the answers were not always entirely within context.

(d) Candidates were asked to identify *two advantages* of Adventure Unlimited becoming a private company. This was not a difficult task and, mostly, it was successfully tackled. In order to earn 3 or more marks a candidate had to explain two relevant points e.g. Jiang could be the sole director; he could enjoy limited liability; he could buy sufficient shares to retain the controlling interest.

Task 2

(a) Candidates were required to explain the meaning of the term 'stakeholder' and list *two* examples. Three to five marks were earned for a good definition and the mention of two appropriate examples e.g. employees, creditors, clients. A number of answers included reference to shareholders and that was not incorrect except in the context of the case study Jiang's business did not have, at that time, any shareholders. Candidates could have improved their marks by suggesting that if Jiang eventually chose to become a private company then his stakeholders would be reinforced by shareholders. Mostly candidates recognised that a stakeholder was someone or some organisation or group with an interest in Jiang's business.

(b) Explaining a short chain of command presented little problem but only few candidates attempted to explain what it was in the context of Jiang's business. A chain of command is the route through which orders and authority are passed. In Jiang's case, he needed to keep a close control over both his business and staff through his team leaders. The point was made clear in the case study.

(c) Because Jiang's prospective business associates wanted an organisation chart, candidates were asked to describe two specific functions of such a chart, namely accountability and span of control.

Jiang's prospective business partners would like an organisational chart. Describe the following two functions or purposes of an organisational chart:

(i) **accountability**: It was clear that a number of candidates did not understand the concept of accountability i.e. that individuals within the business organisation had targets to achieve and were held answerable for their delivery. In practical terms there was the implication that failure to meet a target or deadline could result in demotion or dismissal.

(ii) **span of control**: this is a basic business term yet candidates in some Centres did not really appear to understand it. Span of control refers to the number of staff under any one person's direction or management. In Jiang's case, his span of control covered all the team leaders and they in turn controlled each team. In Jiang's business it represented tight control.

Task 3

(a) This task focused on the reasons why Jiang's staff were not allowed to discuss their employment arrangements with colleagues. If one person was known to be receiving a higher pay or different benefits than another, then it might have caused resentment and grievance. In Jiang's business, each employment package was based on an individual's value and contribution. This system enabled Jiang to reward each employee in the ways he wished without making collective arrangements. Most candidates seemed to comprehend the task and identified the issues. This arrangement is becoming a widespread business practice.

(b) Candidates were required to explain two ways in which good work and loyalty might be rewarded in Adventure Unlimited. The task was about financial and non-financial incentives. Various issues can be identified like: promotion, bonus, additional days off, health insurance scheme. Any suitable and realistic ideas were rewarded. In order to earn 3 or more marks the candidate must have offered two appropriate ways. In the main, candidates tackled this task quite well although there were some who offered more than the required two methods.

(c) This task ought to have been anticipated as it has become a familiar area to be examined. Candidates were asked to describe *three* expectations that the staff might reasonably have of their employer. There was a firm list from which to draw suitable examples like safe working conditions, training and retraining, fair pay and employment packages, fair treatment, prospects of promotion, incentives, holiday entitlement. Perhaps the most quoted expectation was salary. It must be noted that this task was the first of two 10 mark tasks and it was expected that each of the three expectations chosen was competently explained. Candidates were required to extend their answers. In order to have earned 6 (i.e. Level 3) or more marks, all three expectations must have been offered and explained.

Task 4

(a) The answer to this task was clearly provided in the case study. Candidates were asked to discuss why Jiang located his adventure business in the jungle. The description of Jiang's activities focused on providing adventure in harsh and hostile environments. Curiously, this task was not very well answered and the reasons seemed to elude the candidates despite the obvious clues in the text. The Examiner wanted to read that Jiang chose an inhospitable place in order to offer his clients appropriate challenges. There were very few good answers to this task.

(b) This task did not prove very successful. Candidates did not seem to understand the issue of *profit motive*, although they clearly appreciated what the term *profit* meant. The task did not ask for a definition of profit but rather focused on the *drive* or *motivation* behind making it e.g. a reward for risk-taking, a source of future funding (i.e. ploughed-back profits), a measure of personal achievement; a justification for investment of money, time, effort, experience and intelligence. Profit may be what is left after all business expenses have been paid, which was the line taken by many candidates, but it clearly represents business success.

(c) Every 5161 examination includes reference to those external factors which influence the business climate. Most candidates, having read the reference to external factors, decided they were to write about PEST factors in general rather than focus on the two specific issues identified in the task. Candidates were asked to describe how Jiang's business was affected, firstly, by environmental and ecological issues, and, secondly, by the business or trade cycle. Even those candidates who directly tackled the two issues tended to avoid discussing the impact on Jiang. Each component of this task was worth 5 marks so a total of 10 marks was available. Very few candidates were successful with this task despite the clues being in the case study.

(i) Environmental and ecological issues:

The Examiner wanted to read about how the increasing use of wilderness areas is damaging them in terms of litter, wear and tear of forest pathways, the impact of human activity, the effect on endangered species, and so on. Many governments now take a firm line on the protection of wilderness areas and will only issue a limited number of expensive licences each year. Jiang's business is subject to the high cost of licences and continued focus on the environment by protest and interest groups may well limit the future availability of licences. This situation must limit his business opportunities and will increase the fees he charges to clients.

(ii) The business or trade cycle:

Candidates needed to explain to the Examiner that this is essentially the economic cycle from boom to slump to recovery, and so on. The cycle affects Jiang's business because when there is a boom people have money to spend and they will willingly pay Jiang's fees for something different and exclusive. During periods of slump people are more cautious, and that includes even those who are wealthy, and may not spend so readily on Jiang's activities.

Task 5

(a) This task caused some confusion since perhaps the distinction between a global and an international market is not always very obvious. Jiang believed his market to be global when it was, in fact, international. A company that advertises and attracts clients throughout the world (like, say, Coca-Cola) is in a global market. This would suggest very few countries are excluded. By contrast an international market is one involving a number of countries but can hardly claim to operate in 'all four corners of the world'.

(b) Jiang did not have a code of conduct or a customer relations policy, and candidates were asked to suggest why he should have one especially in view of the death of a client. The company's attitude needed to be considered i.e. that whilst every effort was taken to ensure safety, clients agreed to accept all risks. The point the Examiner wanted to read was that, whilst anyone pursuing extreme activities ran the risk of personal injury, the company could not absolve itself entirely from any liability. Jiang needed a code or policy to emphasise the potential danger of the activities and also to reassure clients that every effort would be made to safeguard their safety as far as it was practicable. The code would set out details of any contact with the firm. The candidate was required to say 'why' there was a need for a code or policy, not 'what' one was.

(c) Marketing mix is another familiar and standard topic. Jiang believed he had the marketing mix right and candidates were asked to explain what he meant. A number of responses talked about marketing in general and missed the point that the Examiner was looking for an explanation of the 4Ps, namely *Price* (high and expensive but reflecting organisation, the special nature of the product, limited market, individually tailored events); *Product* (daring survivalist adventures); *Place* (in extreme and tough locations); *Promotion* (sports clubs, corporate market; specialist magazines, TV publicity). In order to earn at least 6 marks, a candidate needed to offer the 4Ps. Those candidates who had been taught the 7Ps would also have mentioned *People, Process and Physical evidence.*

EFFECTIVE BUSINESS COMMUNICATION

Paper 5162
Standard

General comments

Candidate performance

Once again, it was very disappointing to see some very poor papers for this examination. This was also evident at the last examination session. Clearly, tutors and candidates need to ensure that they are able to access the Examiner's Reports and marking scheme to help improve answers.

The failures were mainly due to the fact that candidates had problems with the following points:

Misinterpretation of the task requirements. This was very evident in a number of tasks. **Task 3 (a)** asked candidates to identify which aspects of verbal and non verbal communication would need to be considered when planning presentations. In general, this was not completed correctly and candidates did not seem to understand the difference between verbal and non verbal communication, and just wrote generally about presentations. This will be discussed in depth further in the report.

Reluctance to comply with the task requirements – a number of candidates chose to ignore exactly what was required in certain tasks and generally wrote about the key subject of the task. This was evident in **Task 5 (a)** where candidates were required to draw a bar chart using data for 2003 only. Most candidates did not do this but used data for 2002 and 2003.

Format and presentation of material – candidates should remember that this subject is about effective business communications, therefore, they should ensure that they present their answers using an appropriate format. This session, there was a slight improvement in the presentation of work but still there were many candidates who demonstrated very poor writing skills and their work was very difficult to read.

Poor time management – this is a problem in some Centres – especially within certain overseas Centres. Tutors should try to ensure that their candidates have an opportunity to sit a mock examination prior to the actual examination. Candidates should be taught to proportion their time for each question. There will always be five compulsory questions on this paper and thus candidates should be able to allocate their time accordingly.

Lack of application to the case study – many candidates did not refer to the case study in their answers and just offered text book approaches.

Syllabus problems

It seemed that many candidates had specific problems with the following areas of the syllabus:

- Layout of a memo
- Checklist for planning interviews
- Methods of internal and external communications
- Verbal and non verbal communication in relation to presentations.

Comments on specific tasks

Section A

Task 1

(a) This required candidates to state the effectiveness of using emails and telephone calls. The answers should have included at least three points for the three marks available i.e. email as a quick method, with world-wide access which is cost effective. Answers relating to the telephone could have included this as a two way method of communication, allowing receiver and sender to alter and change message from immediate feedback etc.

In general this part of the question was answered reasonably well. The poorer candidates only offered brief bullet points and confused the methods sometimes.

(b) This part required candidates to list two reasons why it is important that staff use the most appropriate methods of communications for both internal and external communications. The answers should have included a list of reasons for both methods, which were expanded. The marking scheme offered two marks per reason, but for this more than bullet points was required. Some of the reasons could have been for internal communications – costs and timings, immediacy of the communications, the importance of the communication etc., and for external communications issues such as the reputation of the organisation, the formality of the communication, the level of feedback required etc., should have been discussed.

Here, many candidates did not include both internal and external communications and chose to concentrate on one – mainly external communications. Many only offered bullet points, which were very brief, and not answering the task fully.

(c) This final part of the task required the candidate to identify and justify the most appropriate method of communication for briefing new staff about internal working practices. The task also required reasons to be given to support the answer. Here, candidates should have discussed seminars, team meetings, staff interviews etc. and should have justified these methods by stating that they were two-way which allows for feedback and to ensure that staff are not alienated by the communication.

Again, many answers were rather poor here, with many candidates only offering a method and no justification. In general poorer answers for this first task were thin and did not cover the justification required.

Task 2

(a) This required candidates to write a letter accepting a business invitation. The answer should have been set in the form of a formal letter. The logo or letterhead, reference, date and salutation should have been included in the correct layout. The heading and body of the letter should have been courteous and persuasive, using the opportunity to sell the company. Four marks were available for the layout and four marks for the content and tone of the letter.

Answers varied from very good, well laid out and persuasive formal letters to very poor one line letters which did not include headings, dates, etc. The poorer letters did not add any details to make the letter more realistic. This is a very common task on the paper and candidates should practice writing formal letters.

(b) The second part of the task required candidates to write a memo to the internal team. Again, the marks available were for the correct layout (four marks) and the content (four marks). The memo should have included the company logo, date, to: from, subject and the body of the memo should have been persuasive and used to impress upon the staff how important the presentation was.

Generally answers were better for this, however, there was some tendency for some weak candidates to set out the memo as a letter which was clearly not correct. The general problem here was that the memo was very brief and did not communicate the information fully. Candidates should get used to using information fully and creating any more details, which would help the tone of the memo.

(c) This final section of the task required candidates to explain one benefit of using text messages and one benefit of emails to communicate with internal staff when away from the office. The answers should have included benefits such as texting being very quick if staff are away from their PCs, and can offer important instant information such as telephone numbers which can be saved and read or stored later, whereas emails are quick, international and available 24/7 if staff have access to a PC.

The answers here were very varied, some were very good and covered some well explained benefits of both methods. However, weak answers offered bullet points for email only and seemed not to know much about texting.

Task 3

(a) This part of the task required candidates to identify which aspects of verbal and non verbal communication Brian and his team will need to consider when planning a presentation. There were ten marks available and these related to how well the candidate answered the task with full marks being awarded for excellent understanding of all elements which were fully applied to the case. Answers should have included a discussion about both verbal and non-verbal communications. Verbal communications such as the aim of the message, the key points, the style, the articulation and monitoring the feedback fully etc. should have been discussed. For non verbal communications issues such as the need to decide on the body stance and gestures, the eye contact, use of charts etc. should have been discussed.

Unfortunately, this task was not completed well by most candidates. Many did not cover both verbal and non verbal communications and only concentrated on one. In general the answers were very thin and did not discuss enough for the marks available. There seemed to be a lack of knowledge in this area. This was very disappointing.

(b) This part of the task required candidates to write a guide to help ensure that meetings are successful in the company. Again, this is a task that appears quite regularly on the examination paper and thus candidates should be prepared. The answers should have included the agenda, the nature of the meeting, the staff to be invited, the time-scale for the duration of the meeting, preparation for minutes to be taken, appointment of a chair, obtaining a suitable location etc.

This was answered slightly better than the previous session and many candidates covered most of the issues required. However, the weaker candidates were not able to go beyond one or two points, which was not acceptable for the 10 marks available.

Task 4

(a) This part of the task required candidates to describe the type of interview structure which would be required for recruitment interviews and candidates were asked to explain the reasons for their answer. The answers should have discussed a structured interview which would have been used for the selection interview, as all candidates were external and not know to the organisation. This ensures that all candidates are treated fairly and appropriately. There would be a number of closed questions aimed to find out facts and a number of open or hypothetical questions to allow the candidate to illustrate their previous experience and demonstrate what they could bring to the company.

The answers in general were reasonable, however, weaker candidates did not write enough to gain good marks and only covered one or two issues. This again is a popular task on the paper and as such candidates should be prepared for this type of task. There were ten marks available and top marks were awarded for the correct identification of the structure and very reasoned arguments, which were applied to the case.

(b) This part required candidates to identify three purposes of selection interviews. The answers should have included a discussion about the fit of the candidate, the personal appearance and punctuality, the interviewee's attitude etc. There were two marks available for each point made fully.

Answers here were generally fine, but again, weaker candidates only offered very brief bullet points, which were not applied to the case.

(c) The final section required candidates to explain what is meant by open and closed questions, giving one example of each type which could be used at interviews. The answers should have included issues relating to both types i.e. closed questions used to find out facts about the candidate such as age, current income, checking skills and details on the application form – an example should have been offered. A discussion and example of open questions should have been offered, including the types of open questions, which could be used to find out attitudes and past experience. Again, an example of an open question should be offered.

In general, candidates tended to give examples rather than explain what open and closed questions are. Some candidates mixed up open and closed questions.

Task 5

(a) This part of the task required candidates to prepare data in Table 2 only for 2003 and present it as a bar chart. This was worth eight marks, where the correct graph format, correct values, correct shaded areas, key and the clarity of the chart with correct an accurate labelling was assessed.

In general, many candidates did not use graph paper and thus their graphs were very messy and marks were lost for accuracy. Some candidates used the 2002 information and thus received no marks. Candidates should always use the graph paper which is available in the examination if they are required to prepare graphs of any kind the in the exam.

(b) The second part of the task required candidates to explain pie charts and line graphs. The answers should have included an explanation of pie charts which are good to use for less complex data – but limited to the amount of in-depth information that can be conveyed using a pie or circle chart e.g. some data such as trends is too complex to illustrate this way. An explanation of line graphs should have stated that they can be used to show trends, etc. but cannot readily or clearly interpreted if too much information is plotted e.g. too many lines on one graph is confusing.

Many candidates seemed to be running out of time at this stage of the exam and therefore the discussion was limited and thus not many marks were awarded.

(c) The final part of the task required candidates to explain how visual aids used during a presentation could be improved using technology. Again, a popular question on the examination paper, which was not often completed well. The answer should have included discussion about animated graphics via powerpoint: colour and build facilities on powerpoint/excel, sound could be added to presentation via powerpoint, weblink could be added to company website, webcam link to office, and video conference to office etc.

This part of the task was worth four marks but many candidates did not complete this task. Those who did provided very basic and bullet point answers rather than a discussion.

BUSINESS FINANCE

Paper 5163

Standard

General comments

Overall the performance of the candidates who sat the May 2004 examination was satisfactory with many candidates demonstrating a reasonable level of understanding of the issues raised in the examination questions. Centres are clearly contributing to the success of their candidates by covering a wider range of topics in their teaching of the syllabus and this is contributing to the improvement in the pass rate for this module.

However there still remain a number of issues regarding examination techniques that need to be addressed.

Centres are once again reminded of the need for precision when defining terms and/or providing explanations as this will allow candidates to achieve the higher order of marks.

In addition candidates are reminded that when they are undertaking calculations it is always advisable to provide a formula to show *how* they are attempting to solve the problem. Marks are available for knowledge of the processes involved in providing solutions and these marks cannot be awarded if the formulae have not been provided.

Unfortunately many candidates did not appear to manage their time effectively during the examination and as a result they did not produce complete answers to all of the tasks. This limits their ability to obtain a mark that reflects their knowledge of the subject and Centres are urged to address this issue before the next examination.

Comments on specific tasks

Task 1

Overall the responses to this task (**a-e**) were satisfactory with most candidates able to provide reasonable explanations of the terms. This would appear to show that Centres are providing instruction across the breadth of the syllabus and that the need for precision in defining terms is being stressed. Centres are to be congratulated for this and are urged to continue this process into the future.

Task 2

Overall the responses to this task were disappointing. A sizeable minority of the candidates had no knowledge of the process required to calculate the break-even point and even where the candidates did appear to understand the process they seldom provided a formula or an explanation as to how they were attempting to solve the problem. This resulted in the candidates losing the marks that are available for demonstrating knowledge of how the problem can be solved.

Task 3

The answers to this task were very pleasing with the majority of the candidates being able to provide a sound explanation of the nature of double entry bookkeeping and many candidates were able to identify the correct book entries for the transactions that were given.

Task 4

Overall the answers to this task were satisfactory with most candidates able to produce precise answers to parts **(a)** and **(b)**. However the answers provided for part **(c)** were less good as many candidates appeared to misread the question and provide an irrelevant answer. The question required the candidates to provide sources of additional working capital but many candidates provided answers that were outlining additional sources of funds for the organisation and these were not related to the narrower concept of the difference between the level of current assets and current liabilities as required by the question. Given that the management of working capital is of central importance to the success of organisations Centres are recommended to emphasise this issue when covering this topic.

Task 5

The answers provide for both parts of this task were very satisfactory with many candidates achieving high marks. It is pleasing to see that Centres are providing candidates with in depth instruction of both the legal and the financial structure of business organisations.

Task 6

Overall the responses to this task were satisfactory with many candidates capable of providing an answer that included a relevant format for the balance sheet. However many marks were lost by the candidates because the balance sheets were incomplete e.g. they had no title, the sub totals were missing etc. Centres are urged to stress the need for precision when producing these fundamental accounting documents in order that their candidates can obtain the maximum return for their efforts.

Task 7

The answers to this task were rather disappointing. Most candidates had no problem in identifying the accounting principles or in explaining how they operated but only a minority of candidates were able to explain how the principles that they had selected contributed to the accuracy of the accounts. This limited the award of marks for part **(b)**. Centres are urged to recommend to their candidates that they read the questions carefully in order to provide a relevant and complete response.

MARKETING

Paper 5164
Standard

General comments

Specific syllabus content areas are covered below in the section on tasks.

The overall results at this level appear to have improved this session, although candidates still find it difficult to link theoretical concepts to the context of the Case Study. Examination techniques could be further improved in the following areas:

- Poor time management. This is a common problem. Candidates who fall into this category often spend too much time on a task with which they are comfortable, leaving not enough time to complete all remaining tasks. Candidates should note the allocation of marks for each task.
- Writing 'all that I know' about a topic. This neither demonstrates understanding of the Case Study and task, nor answers what is required by the task. It also wastes time. Again, this can be improved by looking at past paper tasks in the classroom, to encourage candidates to identify the key issues within any task.

Comments on specific tasks

Task 1

This task aimed to assess candidates' understanding of what constitutes a marketing culture, and the benefits that adopting a marketing approach can offer a business.

(a) Most candidates correctly identified six benefits of adopting a marketing approach.

(b) This part of the task proved the most difficult for candidates, particularly in expanding the points in the context of the Case Study – i.e. for Bernard's business.

(c) This part of the task was generally done well, with candidates able to identify that, in a marketing culture, all employees work together towards satisfying customer needs.

Task 2

This task was designed to assess candidates understanding of marketing research, and their ability to link this knowledge to a specific situation; in this case the exploration of the suitability of promotional gifts.

(a) Marks were awarded for any two appropriate methods of identifying the suitability of the promotional gifts for Bernard's potential customers. Unfortunately, many candidates simply described two methods of marketing research and so were not able to achieve the marks.

(b) It was pleasing to see many candidates able to give a basic description of what secondary data is.

(c) This part of the task generally did not prove too difficult for those who attempted it, although some candidates simply listed general sources of data, without considering their relevance to Bernard's competitors.

Task 3

The answers to this task were disappointing, particularly in terms of linking segmentation to Bernard's business. Candidates could have explored the many benefits it could have offered and were expected to recognise that Bernard currently operates in a business to business market, which could be extended into a consumer market through careful targeting of segments. Candidates who did put forward recommendations generally limited these to 'product' based segmentation rather than segments based on customer needs, or demographics.

Task 4

It was pleasing to see how well this task was done by many candidates. Unfortunately, there were some candidates who did not gain the marks available because they failed to link an example to each stage as requested in the task.

(a) Most candidates were able to state what each of the PEST headings meant. Some were not able to give an example linked to the Case Study.

(b) Most candidates stated what SWOT consisted of, and it was once again the lack of an example that let many down.

(c) This section of the task was done well. The topic of marketing objectives has appeared on most papers as it is an important concept for candidates to grasp. It is pleasing to see this happening.

(d) This part of the task was generally done well in terms of knowledge. Those candidates who did provide an example often provided a promotional example, which, although acceptable, was covered in the next part of the task.

(e) This part of the task was generally done well.

Task 5

This final task looked at the elements of the standard marketing mix in the context of the Case Study.

(a) This part of the task required candidates to explain the product element of the mix for Bernard's business. Candidates were not only expected to identify the various mix of products and services which Bernard could offer (which many were able to do), but also to explain the importance of tracking trends, meeting customer needs and checking profitability of offerings.

(b) Many candidates detailed all pricing strategies that they were familiar with, rather than explaining that Bernard needs to stay competitive, price each product or service profitably, and consider offering discounts to obtain large contracts.

(c) Again, many candidates explained promotional activities without responding to the requirements of the task.

(d) This final part of the task proved difficult for many candidates. It required candidates to recognise that Bernard currently relies on winning tenders and might extend this by selling through a website, or by working in partnership with architects or designers for the decorating part of his business.

HUMAN RESOURCE MANAGEMENT

Paper 5165
Standard

General comments

The entries for this paper was low and so the comments that follow are based upon a small sample.

Those candidates that did attempt this paper performed better on the whole than in previous years. The use of part **(a)** in each question to test pure knowledge meant that all candidates were able to attempt every question in some part. However the improvement in marks was disappointing.

A continuing problem with this paper is that candidates fail to use their knowledge by relating it to the case study provided. There is an urgent need for candidates to be given the skills needed, and the practice, to enable them to use a case study and apply their knowledge. Candidates should be encouraged to respond to tasks theoretically, and then practically, by applying their knowledge to the situation given in the case study.

Comments on specific questions

Question 1

(a) Candidates did not find this as easy as had been expected. They have a general but imprecise understanding of the meaning of HRM. Precision is important.

(b) Candidates remain confused between the meaning and purpose of HRM and this is an area that could be taught in more detail and with greater precision.

(c) Many candidates found it difficult to answer this question. Instead many candidates simply explained how the homeworkers had been managed and ignored the part of the question that asked if it had been inefficient or efficient. Candidates should be reminded that *all* parts of the question need to be answered. Essentially, candidates were being asked to comment on whether the system was helping to achieve overall business aims.

Question 2

(a) Answers to this question showed an incomplete knowledge of trade union functions. Many failed to provide more than two functions.

(b) Candidates on the whole answered this question well with the legal contract the most popular answer. Very few were able to mention anything beyond the contract.

(c) This question was poorly answered. Nobody mentioned lifelong learning and few discussed the new technology. Computers in general were mentioned and the possibility of losing their jobs but these were unstructured and not linked to the case study.

Question 3

(a) A well answered question that clearly shows that candidates are well taught in this area and know the elements of the selection process. Some candidates are clearly confused between selection and recruitment.

(b) This was another well answered question although many candidates ignored the instruction to provide four ways and only discussed one or two ways. The majority provided a recommendation but often this was not based upon a sound reason.

(c) The majority answered this question in a very basic way; i.e. homeworkers do not have contracts. Whilst this is correct, for a question with ten marks more detail is required. Candidates should be made aware of the demand of questions based upon the marks allocated. This is a matter of exam technique as well as the application of knowledge.

Question 4

(a) This question was extremely well answered. Candidates are fully aware of the methods available.

(b) Candidates are obviously well taught in the area of appraisals. Many wrote at great length about the appraisal process. However very few candidates actually applied their knowledge to the situation at SAK, as requested. Application of knowledge is important and is a skill that needs to be developed.

(c) This question was very poorly answered with only the very best candidates making an acceptable attempt. It would seem that this is an area that could benefit from a greater depth of study.

Question 5

(a) This question was extremely well answered. Candidates are fully aware of the benefits available, although a few did confuse payment with benefits.

(b) The majority focused upon money and fringe benefits and failed to look beyond this. Factors such as promotion and job satisfaction were rarely used. Candidates should be encouraged to look beyond financial motivators.

(c) Candidates provided a mixed set of answers to this question. The majority realised that training on the new machines was important and many discussed on the job and off the job training, although often without relating it to the situation given. Candidates obviously have a wide range of knowledge linked to training and should be encourage through the use of past papers to use this knowledge in a case study setting.