CONTENTS

BUSINESS STANDARD LEVEL

Paper 5161

Business Organisation and Environment

General comments

The standard and degree of difficulty of this examination were no different to its predecessors. It is recognised that most of the candidates undertake the examination in a second language and so incorrect spelling and grammatical errors are ignored in favour of the quality of their responses. The demonstration of business knowledge and, where required, the evidence of reasoning are more important than the quality of language. Teachers must reassure their candidates that this is the case. However, it must be equally understood that poorly expressed answers, especially those expecting the Examiner to guess the meaning, will not be very successful.

The structure of the examination has changed, however, in one important regard. Clearly all the five assessment objectives have to be examined and in October 2004 there were a total of eighteen tasks or assessment points – sixteen carrying five marks each plus two carrying ten marks each. In an attempt to make this paper much more accessible, there was a significant revision so that candidates were presented with the same range of tasks but with an increased number of assessment points – some thirty two in fact and, with the exception of only one task worth ten marks, all the others carried one to five marks each. Candidates were offered, therefore, a number of short tasks calling for crisp and succinct answers that rehearse the knowledge required – as is appropriate at Standard Level.

Arising from this examination, there are some issues which still require attention:

- Candidates must ensure that they understand what the Examiner wants them to do. *This means they must read the Examiner's instructions very carefully.* All too often candidates fail to earn good marks simply because they either misread or fail to comprehend a task. It needs to be reiterated that candidates are allowed fifteen minutes' reading time in order to become acquainted with both the case study and the tasks. It is appreciated that an examination will subject candidates to pressure but teachers need to encourage them to pace themselves and not panic because of the time constraint. There is still a significant minority of candidates who, despite a task asking for say, three features, will *offer more* than is required. Not only is that a poor use of examination time but the candidate runs the risk of the Examiner accepting only the first three, regardless of the quality of the other points.
- Mostly, the tasks ask candidates to *describe* or *explain* and a typical problem is that candidates do not offer satisfactory descriptions or explanations. A number of answers were limited not because of any specific weakness in knowledge but rather because the explanations lacked substance. A description or explanation does *not* require a bullet-point answer; although the essential points are rewarded but the candidate is likely to be denied access to full marks.
- The whole point of having a case study is to expect candidates' responses to be made in the appropriate context. Some tasks test general business knowledge but, mostly, they are related to issues in the case study and should be answered accordingly. Marks may be lost if context is overlooked.

Clearly some candidates are not earning the level of marks they would otherwise deserve. *Examination technique must always be a matter of concern and teachers are advised to give it full attention when preparing candidates for the examinations.*

<u>Comments on specific tasks</u>

Task 1

(a)(i) Candidates were asked to explain a basic feature or principle of co-operative business organisation, namely *the democratic control of a co-operative society*, and it was clear that it was not well understood by most candidates. Co-operative societies issue shares and have shareholders who are better known as members. There are similarities with a Public Limited Company except that in the case of a co-operative society there is a legal limit to the number of shares any one member may own. At the society's meetings, members may only have one vote regardless of the number of shares held. This means that each member counts as one. In a Plc, it is usual for a shareholder to have as many votes as the number of shares held. Candidates needed to point out that the limit on personal shareholding coupled with the 'one vote' rule enables members to be 'equal' and that control of the society by capital is denied. Extensive discussion was not required. A statement suggesting that all members of the Dhaka society had equal voting powers despite their shareholdings ranging from $3000 to $5000 would have indicated knowledge.

(ii) The second feature or principle candidates were presented with was the issue of non-transferability of shares. Knowledge of this issue was also weak but most candidates understood that members could not sell (i.e. transfer) their shares to anyone else but did not refine the point. Candidates needed to say that the agency for selling and buying shares is the society itself i.e. a member can only buy shares from, or sell shares to, the society. There is no device to allow trading between members. By comparison, Plc shareholders buy and sell through the stock exchange.

(b) This task was more familiar to candidates as it asked them to identify three business objectives that the Dhaka Co-operative Society might have *with the exception of making a profit.* Although the objectives are similar to those of any business organisation, context was still required for better marks. The task was tackled quite well and in the main candidates had little difficulty in rehearsing objectives such as satisfying customers; gaining a satisfactory share of the market segment; increasing sales revenue; adding value through technological innovation. The rubric asked candidates *to exclude profit* (simply because that was too easy and obvious) and yet a large number included it in their responses. This was another clear example of candidates not reading and understanding a task.

Task 2

(a) Candidates were asked to explain what is meant by the Society having a *flat structure* and to give *one* advantage it offered. This was a task demanding two responses – the definition (for two marks) and an advantage (for another two marks). To earn two marks, a candidate needed to recognise that a flat structure has two features: a wide span of control and few layers of hierarchy. The advantage could be chosen from, for example, more responsibility delegated to staff; better vertical and horizontal communication; and increased motivation. Overall this task was well done and most candidates understood a flat structure.

(b) This task illustrated weaknesses in knowledge and understanding. Candidates were asked to identify and explain *three powers or duties* of a director. Candidates were expected to focus on the legal responsibilities of a director (which are the same whether or not the organisation is a co-operative or a joint-stock company). Just three points were expected but there were those candidates who, ignoring the word *or*, attempted to offer three powers *and* three duties. Indeed, the main problem with this task was that only a few candidates really understood that the task was not about general functions or roles of directors. However, marking took into account those answers which spoke of strategic planning, making a profit and so on, although full marks were not awarded. Candidates should have selected any three points from the powers to sell society assets, to declare a dividend, and to sue in the society's name; and the duties to act as an agent of the society and to hold the duty of trust. This is not a new task and the item covering the roles, powers and duties of directors, is in the syllabus.

(c) This task asked for a definition of the term *stakeholder* and for *two examples* of stakeholders in the Dhaka Co-operative Society. Essentially a candidate was required to point out that a stakeholder was any one person/group/company/organisation with a direct interest in the society's business and performance. A comment along these lines would have earned two marks. The second part called for two examples and it was only necessary to identify (not define or explain) just two stakeholders from, for example, employees (mentioned in the task's rubric), members (shareholders), suppliers, sources of finance, local community. Some candidates did not really appreciate the term 'stakeholder' and thought it another term for shareholder without applying it more widely.

Task 3

(a) This task called for an explanation of *job sharing* and the description of *one* benefit it might give to employers. Mostly this was well done and candidates understood the concept of two people sharing a job on a 50:50 basis (although not necessarily so) with each employee being paid pro rata. The second part dealt with the benefit of job sharing to the employers i.e. the society. What was required here was an acknowledgement that it enabled two fresh minds to be applied to a job; or that there was greater productivity than with just one employee working full-time; or that two part-timers would likely have less time off from work owing to personal appointments e.g. dental.

(b) The focus here was *flexitime*. A definition was required along with a description of *one* benefit it might give to employees. This was reasonably well tackled although some candidates confused flexitime with *teleworking.* Equally, some held the view that an employee could work additional hours and then have a longer holiday. The definition should have referred to the idea of an employment contract which allowed flexible start and finish times so long as the stipulated hours were completed in a given time period e.g. a week. An advantage of flexitime would offer employees a convenient working timetable so that they could, for example, avoid rush hour traffic, buy off-peak travel tickets, make medical appointments without having to ask for time off.

(c) This is now a familiar and regular task. It asked for the identity and explanation of *three expectations* that the employees might reasonably have of their employers. Candidates should have had a good knowledge from which to choose three appropriate expectations: e.g. the prospects of training and retraining; safe and legal working conditions; prospects of promotion; holiday entitlement; a competitive package of incentives. Each needed to be suitably but not lengthily explained. In a few cases, there were candidates who confused themselves by reversing the task and so wrote about the employer's expectations of employees.

Task 4

(a)(i) Both **(i)** and **(ii)** addressed the external (i.e. PEST) factors which influence the Dhaka Co-operative Society's business environment. This particular task asked candidates how the Society might be affected by changing technology. Candidates should have recognised that the business was totally reliant on computers which were constantly becoming more powerful and offering new applications. The main points to have made were that the Society may have felt pressured by the pace of change and forced to upgrade equipment on a frequent basis. The implications here deal with training, additional costs and the possible loss of a competitive edge if upgrading was not undertaken. A well written paragraph containing a couple of strong points would have earned a possible five marks. Overall candidates understood the issue but needed to extend their points.

(ii) This task focused on the trade cycle and its influence on the Society. Some rehearsal of the trade cycle with its movement from boom to slump, then recovery and so on, was expected. The context was provided by the nature of the Society's product – when there was a boom people spent money on acquiring the personalised calendars. A slump and the reduction in disposable incomes might see the Society having difficulty in breaking even.

(b) Ten marks were possible for this task. It was the only task which assessed responses depending on whether they were descriptive, analytical or even evaluative i.e. making a judgement. Candidates were asked to discuss the importance of location to the Society. This task was not an invitation to list all the usual reasons for location like transport, power, raw materials and the like but to consider the issue in the context of the Co-operative Society. There was no 'right' answer but the ideas needed to be appropriate. A main point to have made was that the business had a 70% reliance on mail order so it could be argued that location was dictated by the availability of postal and delivery services. Also, the business required skilled and intelligent employees and could not afford to locate in an area where it would have difficulty in recruiting suitable replacement or additional staff. An essay was not expected nor was complex discussion but it was hoped that candidates could compose a reasonable discussion.

Task 5

(a) The Society claimed to have the 'right marketing mix'. Candidates were asked to explain, by reference to four aspects of the marketing mix, what that claim meant. Some candidates would have been taught the 4Ps whilst others will have been introduced to the 7Ps. This meant that most candidates could offer any four of seven possible criteria. The 'traditional' 4Ps include place, product, price and promotion and there were many responses that discussed these. The other 3Ps are physical evidence, process and people. Candidates did not have any difficulty in naming 4Ps but mostly they were weak in applying them to the Society's claim. Each 'P' required to be suitably described within context but all too often they were defined in general terms only.

(b)(i) Candidates were asked to explain the meaning of a customer relations policy. This was fairly successful but it required candidates to appreciate that the policy influenced customers' impressions of the business. The policy indicated how orders were dealt with; how customers' requirements were processed and satisfied; how the business maintained quality and offered value for money. Candidates needed to have written a well constructed statement identifying these points.

(ii) The final task said, 'List four ways of maintaining customer loyalty and satisfaction'. Four marks were available to be distributed on the basis of one mark per listed item. The task specifically said 'List' so candidates were only required to set down four ways without explanation. Examples of ways included guaranteeing high and consistent quality; taking good care of customers' photographs; specifically meeting customers' needs; remedying mistakes with the minimum of fuss; acceptable delivery times. This was not a hard task and candidates readily coped with it.

Paper 5162

Effective Business Communication

General comments

There were some pleasing improvements in Centre and candidate performance this time around, in particular the writing of letters, something that has been a consistent problem within papers for several sessions. It was encouraging to see an improved structure and of course the correct use of salutation and appropriate closure. However, whilst there is some improvement generally, Examiners are still reporting some poor attempts.

However, there is little by way of exceptional performance demonstrated, with the majority of candidates achieving average marks. It would be really encouraging to see a much greater effort to include more depth of discussion in future papers, to see performance improving to good.

As cited in previous sessions, there are some consistent areas of weakness that need to be addressed.

Misinterpretation of task requirements – This was very evident in **Question 3 (a)** where many candidates failed to realise that the focus was on the benefits of using groups to solve problems, as opposed to the benefits of groups – there are some subtle differences here that were completely missed.

Time management – Many candidates seemed to perform quite poorly in **Question 5** because they had run out of time. As this is a three part question, it is quite unfortunate. By the time candidates get to the end they are producing bullet points only. As **Question 5 (a)** and **(b)** were both worth 6 marks, some reasonable level of discussion would be expected. However, this did not materialise, meaning that many candidates were only getting 2 marks out of 6 for brief answers.

A further problem relating to time management, was the excessive amount of text some candidates would write for a 2 mark question, it was often the same amount as for a 10 mark question. It is important that candidates realise the various demands of questions based upon volume, in order that they can identify the type and length of response required.

On a final note in this section, can Centres please ensure that papers are clipped together in the appropriate order. Examiners spend a considerable amount of time re-ordering the scripts in order to be able to mark coherently. This was raised in the previous Examiner Report and still continues to be an issue.

<u>Comments on specific questions</u>

Question 1

(a) The task focused on stating the effectiveness of using telephone calls and emails to deal with customer complaints. The task met with a mixed response, particularly relating to emails. Interestingly, cultural differences relating to the use of emails and the expense of Internet access in some countries surfaced, something not initially anticipated. As a result the Examining Team adjusted their approach to take into account the varying costs of Internet and email on a domestic market basis.

One evident factor was the inability of some candidates to apply using the telephone and email for customer complaints, and provided very generic answers. These candidates of course failed to gain the necessary marks to pass this question.

(b) This question focused upon identifying the best way to communicate the serious issue of increasing numbers of complaints and returns within Moorcroft. This question met with a mixed range of responses. The correct response should have included seminars, team meetings, staff interviews or a report which would be followed up by an internal meeting.

Unfortunately, many candidates struggled with this concept and seemed to suggest that a memo or email would suffice. Clearly, the focus should be on two-way communication processes, enabling some dialogue to take place between managers and subordinates to examine the reasons for the increasing problems. A memo or email would be most likely overlooked and the message would be lost, and hence no opportunity to discuss possible reasons and improvements.

(c) This question asked candidates to identify four problems that could face the company because of lack of communication in respect of communicating with international customers and also internal staff. It is pleasing to report, that many candidates answered this question really well and had a good understanding of barriers to communication and the impact of poor communications internally.

Many candidates gained full marks for this question. Well done.

Question 2

(a) In this part of the question, candidates were required to write a letter to customers on the company database, promoting a pottery collectors club. As indicated in the introduction to this report, there was a vast improvement overall in terms of letter writing, there were still some very poorly answered questions. There are still some problems in relation to writing a letter, and the main one is the appropriate use of salutation and sign-off on letters. Because this was a general mailing, it would have been acceptable to see either dear sir or madam, or even named customers, this takes into account the varying use of databases on an international scale. If writing 'dear sir or madam' then the letter should end 'yours faithfully' and if writing to 'dear Mr or Mrs', then the letter should end with 'yours sincerely'. There were a lot of letters that ended with 'yours truly', which has a completely different connotation and is not generally appropriate.

In terms of the body of the content, this was very variable. In the main candidates were managing to get the right detail across, but perhaps in a very limited way. It is important to include the appropriate closing phrase also to encourage the recipient of the letter to respond. Candidates did fall down on this and it is a very important part of communications, to try and gain the necessary response.

In essence answers should have been along the following lines:

Business letter to confirm the following format:

- logo or letter heading of the company
- date
- reference number
- recipient's name and address
- appropriate salutation – Dear Mr/Mrs or Sir or Madam
- letter heading – RE: Pottery Collectors Club.

The content of the letter – calling them to attend a collector's event or accessing the Internet for details. The letter should either give date, time, location of the event, along with information on how to find out more about the Pottery Collectors Club.

The letter should conclude with how to get the recipient to take further action and definitely get in touch with the Pottery Club.

The letter should then have an appropriate closure i.e. 'yours sincerely' or 'yours faithfully' depending on the salutation.

The split on this particular task was 6 marks for format and 6 marks for content.

(b) This question required candidates to identify three key elements of a report and three advantages of using a report. Part **(i)** which was about the three key elements of a report, provided a mixed range of answers, and candidates really failed to grasp what was required. The three key elements being:

- introduction
- development (findings)
- conclusions.

In part **(ii)** candidates were expected to provide a range of advantages – many candidates did but the selection of answers was quite narrow. Good answers would have included:

- one-way form of communication
- information presented in a formal format
- information is recorded
- opportunity to use graphics to present information
- offers conclusions and recommendations
- can be circulated or in hard format.

Question 3

(a) This question asked candidates to identify three advantages of using a group to solve problems. Clearly all candidates knew about the benefits of working in groups, but few candidates were able to actually discuss the benefits of using groups for actually solving the workforce problem at Moorcroft. Typically, answers should have included:

- greater and more in-depth understanding of the problem
- groups generate a more valued and wide range of solutions
- greater bank of experience available to brain storm the problem
- more courageous suggestions made
- greater productivity from the group i.e. more stimulated productivity, making things happen.

Candidates should be encouraged to apply their knowledge to these situations and try to avoid giving standard answers to a non-standard question.

(b) The question on running regular meetings was answered well. Here the focus was on preparing an agenda, booking a room, setting a time, arranging for minutes to be taken and distributed, identifying a chair for the meeting and other meeting related issues. This was typically the answer presented which was pleasing overall, so some higher scores here. Although again a variable depth and breadth of answer provided.

(c) Candidates really struggled with the importance of both verbal and non-verbal communication as an issue. The one continuous confusion is over the term 'non-verbal' communication. Non-verbal communication is the use of body language, signals and gestures as a way of communicating what a person feels and thinks. However, continuously candidates present non-verbal communication as letter or memo writing. This is not the case. Candidates who presented such answers, failed to be awarded any marks.

Question 4

(a) The majority of candidates scored 100% for part **(a)**. The question asked for four purposes of a recruitment interview.

Answers focused upon obtaining information about the application, checking the suitability of the applicant, checking the information given on the CV and checking the ability of the person against the job. The response to this was very good and very encouraging overall.

(b) Again, as with **(a)**, the responses to this question were very good, whereby candidates were expected to explain what they should do then preparing for interviews. Candidates often scored quite high marks in this question, for considering a range of factors including, considering the aims and purpose of the interview, who should be present, necessary documents, location, being aware of verbal and non-verbal behaviour, making the recruitment decision and appropriate feedback.

Question 5

(a) This question was about explaining what is meant by a line graph and providing two advantages of using one. Surprisingly candidates did not do very well on this question, but this was more down to time management as opposed to a distinct lack of understanding. However, candidates continuously put that a line graph as being easy to develop and easy to interpret. This is not the case and candidates should be advised as such. The answers should have included:

- showing trends
- using colour
- only relevant for smaller amounts of data, to enable interpretation and avoiding confusion.

(b) This question related to pie charts. Again some ambiguous answers were presented. Typically Examiners would expect to see the following:

- Pie charts – these are useful for presentation of less complex data, and allow a limited use of in-depth information. Pie charts are generally not that helpful in portraying trends, as they are often too complex to illustrate in this way.

(c) This question related to the purposes of an organisational chart. The answers here were generally quite good, with a reasonable understanding of the key points, of showing levels of authority, responsibility and an illustration of formal communications, role and status.

Some candidates offered various diagrams to demonstrate their understanding. Overall this was a pleasing outcome.

Paper 5163
Business Finance

<u>**General comments**</u>

Overall there was a slight improvement in the performance of the candidates who sat the May 2005 paper. Candidates had clearly prepared better and many produced answers that were more focused and relevant. It was also evident that candidates had managed their time better and therefore increased their chances of scoring higher marks. Centres and candidates are once again reminded of the need for precision when defining terms and the need to provide a formula or an explanation when attempting to solve numerical tasks.

<u>**Comments on specific tasks**</u>

Task 1

Overall the responses to this task were rather disappointing with many candidates providing vague answers to the tasks. In particular the responses provided for parts **(b)** and **(e)** showed a lack of knowledge and Centres are requested to address this issue.

Task 2

The responses to this task were encouraging with many candidates scoring high marks. However, there was a minority of candidates who confused the term financial records with financial statements when answering part **(b)**.

Task 3

The answers provided for this task were satisfactory for the majority of the candidates. Some candidates lost marks because they did not provide a full answer to part **(b)** which asked for both the financial and the legal consequences of employing the selected sources of capital. Candidates tended to concentrate on the financial consequences and therefore did not obtain the marks allocated for explaining the legal consequences.

Task 4

The responses to this task were generally good with most candidates able to produce evidence that they knew how to calculate the profit figure. The provision of a formula and/or an explanation as to how they were going to provide a solution would have assisted some of the candidates.

Task 5

The answers to this task were rather disappointing with a sizeable minority of candidates unable to provide an accurate balance sheet. Often candidates lost marks because they did not produce a balance sheet that was correctly formatted, in particular, candidates did not include the sub total figures that were required for a full award of the marks.

Task 6

The responses to this task were quite encouraging with many candidates able to provide evidence that they knew how to construct a cash budget statement. However an explanation as to how they intended to derive a solution would have been of benefit to some of the candidates.

Paper 5164
Marketing

General comments

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

The overall results at this level appear to have levelled off this session, and many candidates still find it difficult to link theoretical concepts to the context of the case study. Some candidates did very well and demonstrated a good understanding across the whole syllabus. Unfortunately the examination techniques of many candidates continues to be poor in the following respects:

- *Poor time management*. This is a common mistake. Candidates who fall into this category often spent too much time on a task with which they are comfortable, leaving insufficient time to complete all remaining tasks. Candidates should note the allocation of marks to each task as this should guide on the proportion of time to be spent on each part. It would be useful for Centres to give candidates timed writing tasks during teaching time based on tasks from previous papers as practice.
- *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 raised within any task.
- *Reading the question carefully and completely*. Some of the tasks asked for a set number of issues to be identified and explained. In some cases the number was exceeded, wasting time. Other candidates achieved less than the required number and so limited the number of marks they could gain.

Comments on specific tasks

Task 1

This task was set to assess candidates' ability to explain the importance of a marketing culture to an organisation operating in a competitive environment. It specifically asked for five slides and speaker notes for a presentation, and very few candidates adopted this format. Many candidates explained some of the general benefits of a marketing culture without linking these to Sounds.com.

Task 2

This task focused on the syllabus area of marketing research.

(a) This part of the task was one in which many candidates failed to read the whole of the question. It specifically asked for an explanation of one primary research method that was suitable for investigating the price to be charged for the company's product. While many candidates were able to correctly identify a primary research method, and to describe it, most failed to link this to the investigation of price.

(b) This part of the task was also only partly answered in the main. The task asks how the company can use data from their website and a common mistake was to list sources of data such as Trade Directories, Chambers of Trade, etc.

Task 3

This task was designed to assess candidates' understanding of segmentation, and, in part **(b)**, their ability to explore the topic related to the case study.

(a) This part of the question gave 5 marks for a general definition of segmentation and two reasons why it is important. It was pleasing to see that most candidates were able to do this.

(b) This part of the question required more than general explanations. Unfortunately, many candidates failed to give examples that linked the segmentation base to the case study. Those who did were awarded good marks. In each case only 2 marks were awarded for a definition of the type of segmentation – the other 3 were only awarded if links were made to the case study.

(i) The strongest answers to this recognised that geographic segmentation was unlikely to be used because the Internet breaks down geographic boundaries. However, marks were still gained by those who identified that individuals from different cultures may have different preferences in music.

(ii) Candidates who suggested a particular demographic profile of audience – for example 'young people between the ages of 18-25 with high disposable income and access to the Internet' – and then suggested that the music and the marketing mix could be designed to meet these specific needs were given full marks. Equally, those who described a more mature audience who preferred classical music also gained good marks.

(iii) This part required an explanation of psychographic segmentation as being based around individuals' motivation and interests. Appropriate interests would be computers/Internet and music.

Task 4

This task was based on specific elements of the marketing planning process, and was generally answered well. The main pitfall was again linked to candidates not reading the question fully. The difference between parts **(b)** and **(c)** was that one required an explanation of the *process* of conducting a SWOT analysis, and part **(b)** asked about the *importance* of SWOT analysis to marketing planning.

Part **(d)** asked for a SMART objective to be worded. While many candidates achieved this and were awarded full marks, others explained the meaning of SMART. Although this was not asked for, candidates were awarded 2 marks if this was their only attempt at this part of the task.

Task 5

This task was set to assess candidates' ability to suggest an extended marketing mix for the *growth stage* of the product life cycle.

(a) This part of the task required an explanation and diagram of the product life cycle. Most candidates achieved this well.

(b) This part of the task was allocated 14 marks for 7Ps of the extended marketing mix. It was not enough to simply list the 7Ps to gain marks. One mark was available for a suggestion under each element of the mix that was linked to the context of the Case Study. 2 marks were only awarded if these suggestions were suitable for the growth stage of the product life cycle. Many candidates unfortunately missed this fact in the task.

Paper 5165
Human Resource Management

General comments

The general standard of answers produced this year was an improvement on previous years. Candidates seem generally better prepared in terms of the syllabus content but less so in terms of the techniques used to answer exam questions. Many candidates, especially those from outside the UK fail to note the significance of the 'list' part of every question. A list is asked for and many produce in excess of a side of paper as an answer when four points is sufficient.

The style of this paper is now clearly established and so candidates should be aware of what to expect.

There is noticeably a failure to read the requirements of the question and answer in the style that is requested. Examination technique is a very important part of the course and candidates should be taught the exam process towards the end of the course with the use of past papers.

It should be emphasised that the case study is written with the deliberate intent of providing answers and direction for the candidates. Careful study of the case study provides a great deal of help to the candidate and in the case of the 'list' questions can provide some of the answers.

It was pleasing to see that relatively few candidates failed to answer the required number of questions.

Comments on specific questions

Question 1

This question provided some of the weakest answers with candidates clearly confused between the meaning, part **(a)**, and the purpose, part **(b)**, of HRM. This part of the syllabus is important but does not seem to be taught to the same depth as other aspects of the course.

(a) Candidates were required to produce the standard phrase for the meaning "*HRM is the process for creating and maintaining relationships between people who work for and with them and between organisations*". This did not have to be exact but needed to cover all parts of the meaning.

(b) Candidates were required to produce a *list* with some of the points contained within the text.

(c) Candidates were required to use the information in the case study, which many failed to do. Candidates needed to identify the centralised approach of the company and explain further what this meant with examples from the case study.

Question 2

This is an area of the syllabus that appears to be well taught and understood by the majority of candidates.

(a) The four points were easily identified by the majority but many candidates went beyond what was requested with detailed explanations which received no marks.

(b) Well answered but there appeared to be a bias towards the trade union side. A greater spread of knowledge would be preferable.

(c) This particular part of **Question 2** produced some of the weakest answers on the entire paper. The words 'legal environment' seemed to cause particular difficulties and this may be a language problem. The way in which Health and Safety and Employment law were used at the company was clearly required but many candidates failed to refer back to the case study.

Question 3

This question was well answered by all candidates even those whose total marks were on the low side.

(a) Very few candidates failed to produce a list of four ways in which a contract can end. Interestingly, the majority of candidates produced a list for this part of the question despite failing to do so for other questions.

(b) A well answered question.

(c) Generally well answered but lacking in depth. Candidate's ability to describe in detail was apparent with this question.

Question 4

Answers to this question clearly showed that there is a concentration of both teaching and learning on the appraisal process. The knowledge of appraisal is very detailed whilst other monitoring and measuring methods are understood in a very superficial way.

(a) This question seemed to differentiate between the strong and weak candidates with many failing to produce a complete list.

(b) Appraisal was explained in great detail by the majority but very few could match this with the details of another system.

(c) The majority of candidates chose to answer this question by producing a list of communication methods rather than referring to the case study as requested. Consequently, this reduced the marks for many and made the question more difficult to answer than was intended.

Question 5

This question was generally well answered but some confusion exists over the term 'fringe' benefits and 'methods of payment'.

(a) The majority of candidates answered this question well. A clear confusion exists between fringe benefits and incentive payments.

(b) This question caused a problem over interpretation. Candidates are obviously taught about the methods used by businesses to pay individuals, e.g. cash, cheques and BACs. *This is not a requirement of this syllabus.* Many candidates answered using this knowledge and received no credit for their answers. What was required were the options between wages, salary, bonus payment, share option schemes etc. This is a reoccurring problem that needs to be highlighted to future candidates.

(c) Many candidates failed to see an answer beyond the amount they were paid. Some began to quote motivation theories but few candidates used the case study to provide the answer required, e.g. good working conditions, job satisfaction, promotion etc.