CONTENTS

BUSINESS ADVANCED LEVEL

Paper 5171

Business Organisation and Environment

General comments

Poor examination technique remains an issue and still hinders the achievement of higher marks for most candidates. Teachers are strongly advised to address the subject when preparing their candidates for the examinations. Equally, it is imperative that the entirety of the syllabus is taught; some tasks were badly tackled owing to a general lack of business knowledge.

This examination paper was designed differently from its predecessors and candidates were offered thirty one assessment points with marks ranging from 1 to 6 for each point. This is a significant departure from previous practice when the majority of marks were provided by 10-mark tasks. Candidates ought to find the present structure to the paper much more accessible.

There are, perhaps, seven areas of immediate concern arising from this examination:

- There are still candidates who do not read the tasks carefully enough. They must ensure that they understand what the Examiner wants them to do. All too often, candidates fail to do justice to themselves simply because they either misread or fail to comprehend a task. It must be reiterated that fifteen minutes reading time is provided in order to help candidates become acquainted with both the case study and the general nature of the tasks.
- A number of candidates still copy out the tasks before composing their answers. There is no requirement to do this and it is a very poor and negative use of examination time.
- Candidates must learn to differentiate between the demands of different value tasks. There is little to be gained from writing a detailed answer to a 2-mark task and then giving scant attention to one offering, say, 6 marks. At no point in the examination paper are candidates required to submit lengthy essay-type answers but they must write a sufficiency of detail to demonstrate to the Examiner that they understand the tasks. A succinct and focused answer is preferable to one that is convoluted and offers little substance.
- The object of having the case study is to expect candidates' responses to be made in the appropriate context. This means that responses, unless the task really calls for the rehearsal of general business knowledge, should be clearly related to the case study. Marks may be lost if context is overlooked.
- Tasks mostly ask candidates to *describe* or *explain*, and a typical weakness is that candidates do not always submit a sufficiency of description or explanation. It is acknowledged that the majority of candidates undertake the examination in a second language. Incorrect spelling and grammatical errors are not taken into consideration. The demonstration of business knowledge and, where required, the evidence of reasoning, is more important that the quality of written language. However, it must be emphasised that very poorly expressed answers, especially those which expect the Examiner to guess the meaning, may not be marked very favourably. Teachers need to emphasise these points when preparing candidates for the examination.
- Time management is an area that needs to be addressed by the candidates. It is appreciated that an examination will put candidates under pressure but teachers need to instruct them on how to pace themselves and not panic because of the time constraint.
- Layout is a continuing issue. The instructions on the front sheet of the examination paper are clear enough and it would be helpful if Invigilators referred to them when briefing candidates prior to the commencement of the examination. No marks are deducted from scripts where candidates have ignored advice about, for example, leaving margins clear, or starting each task on a separate sheet of paper, but teachers and candidates must acknowledge that the instructions have a purpose.

<u>Comments on specific tasks</u>

Task 1

(a) The task asked candidates to describe two ways in which the company could raise additional capital in respect of its expansion into Europe. Despite the fact that the rubric clearly stated 'with the exception of share capital', a large number of responses ignored the instruction and offered it anyway. Candidates could offer their two ways from obvious examples: bank loans, ploughed-back profits, venture capital, and the issue of debentures. [2 marks were available for each way]

(b) Candidates were asked to write a mission statement in not more than two sentences. The main object was to see whether candidates could write a suitable statement which reflected the aims and ideals of the company. The main test was whether or not the statement made sense and was applicable to the case. Some candidates displayed some clever approaches but many attempted to explain what a mission statement was and copied what they saw as appropriate lines out of the case study. [4 marks were possible]

(c) This task was fairly straightforward and called for the identity and description of three features or advantages of a private company. Candidates were expected to give an adequate explanation or discussion of each feature rather than just demonstrate passing knowledge. The issues to be considered could have been taken from, for example, limited liability, that fact that shares cannot be sold on the open market, the company was not subject or vulnerable to take-over bids, the company was not listed on the stock exchange, existing shareholders can only sell their shares with the agreement of the other shareholders, and that the company had perpetuity i.e. will continue even if the majority shareholder dies or withdraws. A number of candidates did not know enough about the private company and talked about partners and unlimited liability. There were cases of candidates offering what they saw as three features *and* three advantages.
[4 marks per feature were available]

Task 2

(a) 'Make A Difference' operates within a matrix structure and candidates were asked to describe two features of a matrix. In the main candidates understood this task and offered two acceptable features. The essential points to rehearse were that a matrix structure encouraged a better co-ordination of projects; that it brought together employees with particular skills from different sections or units of the company and moulded them into project teams; that it gave employees the opportunity to use their talents effectively. Some identified the point that some employees may find it difficult carrying out tasks for two supervisors. [2 marks for each feature were available]

(b) This was a simple task and yet so few really tackled it appropriately. It asked candidates to define the meaning of 'stakeholder' and then to list two stakeholders of 'Make A Difference'. What was required, therefore, was a definition indicating that a stakeholder is a person or a group with a direct interest in the performance of the company. The majority of candidates totally ignored the need to offer a definition and then proceeded to describe two examples of stakeholder when they had only been asked to *list* them. All that was then required was literally a list containing two examples of likely stakeholders of 'Make A Difference' e.g. employees, directors, managers, shareholders, company's bankers, clients, suppliers. This task reflected the continuing problem of candidates not reading the tasks carefully enough.
[2 marks for the definition and 1 mark for each of the examples]

(c) This task proved to be disappointing largely because most of the candidates rehearsed their general knowledge of Herzberg's Two Factor Theory (which was not required) and MacGregor's Theories X and Y (when only Y was called for). The task asked for the main features of the theory of job enrichment and of Theory Y and candidates should also have recognised the implicit need to set their descriptions into some context. Only a few actually addressed the theory of job enrichment although Theory Y was much better considered. Some candidates answered the task by lumping both theories together. Essays were not expected but candidates should have articulated the essentials and indicated an understanding of the two theories.

Theory Y: Jan de Witt's management style is based on Theory Y and designed to encourage employees to take responsibility and accept their role in contributing to decision-making in the company. MacGregor argued that employees will work well and positively if they are trusted. Jan de Witt regards his employees as Theory Y and wants their commitment and ideas. Most candidates understood this theory and offered reasonable explanations. A number of candidates also offered discussions on Theory X. This was acceptable in so far as it was used to highlight elements of Theory Y but those who gave full descriptions of X were not rewarded.

Job enrichment: Had the task called for a full explanation of the Two Factor Theory then most candidates would have earned full marks but the theory of job enrichment, which so few even attempted, was not understood. Indeed, there were a number of candidates who confused Herzberg with Maslow and wrote at length on the hierarchy of needs. The point required here was that job enrichment gave opportunity to employees to use their talents and abilities and so enhance their motivation. The essence of enrichment is to offer employees larger areas of work and more responsibility rather than small and repetitive tasks. [6 marks were available for each theory]

Task 3

(a) This task asked candidates to describe two ways in which computer technology was likely to be used in the company. The responses were quite well done. The selection was from such usages as payroll, emailing, conferencing, financial and company records, training materials, teleworking, presentations, downloading documentation. The identity of a usage along with a brief explanation was all that was required. [2 marks were available for each usage of computer technology]

(b) Defining permanent employment and self-employment ought to have been an easy task but the definitions offered were mostly weak and did not demonstrate a very good knowledge of employment contracts. *Permanent employment* was rightly described in the context of company benefits but few refined the point by saying that permanent employees formed the regular core of the staff and were appointed on the basis of continuity. Self-employment was generally seen as being one's own boss but defeated most to offer a workable definition. Few referred to the trainers and consultants who preferred self-employment and the payment of fees.
[2 marks were possible for each definition]

(c) This task was familiar in that it appears frequently in this paper. Candidates were asked to identify and explain three expectations that the company might have of its employees. Candidates did not find it difficult selecting appropriate expectations and, for the most part, offered three from the following: have relevant skills and experience; have good time management; work effectively and efficiently; accept the company code of conduct; commitment to the business and its objectives. Each expectation did not need to be answered with a lengthy explanation but candidates needed to write a sufficiency to demonstrate that they understood the points they offered.
[4 marks were possible for each expectation]

Task 4

(a) This task asked candidates to discuss the likely impact on 'Make A Difference' of two specific factors, namely *business confidence* and *workforce skills and flexibility*. These two points were drawn from Assessment Objective 4.0 of the syllabus: '4.2 – recognise and understand the factors influencing business operation'. A general response was not required and answers should have been in context. The majority of candidates interpreted the factors as being internal rather than influencing the company from without. As a result very candidates gave creditable responses.

(i) The point that was looked for here was that if companies felt confident about business prospects, and the economy was reasonably healthy, then they were more likely to buy training packages from 'Make A Difference'. When there is growth or expansion then companies will spend and recruit more staff. 'Make A Difference' was dependent for its own success upon clients sharing the feeling of business confidence. [4 marks possible]

(ii) The company is devoted to improving customer service skills but the success of their training packages depends largely upon the basic skills and education of the trainees sent to them by their clients. If any cohort of trainees is weak then successful training becomes harder to deliver and achieve. There is the implicit suggestion that there might either be a shortage or surplus o suitable staff to train. [4 marks possible]

(b) Candidates were asked to identify and explain three factors which could determine the location of the company's training colleges. It was hoped that candidates would not offer general points that mostly affect industry but would relate to the text. One point was that since the training colleges were located both in country and city areas, it could be argued that location was not strictly important. However, apart from a building in which to undertake training was necessary, the company offered residential accommodation so location relied upon the company acquiring a suitable site. Most responses readily identified infrastructure and accessibility. Another point to develop was about staffing – the colleges needed to be located where there was an availability of suitable employees. The residential aspect was often overlooked in favour of locating near to commercial areas so that trainees could attend the courses. The company offered residential training so the proximity of clients was not a major consideration.
[4 marks for each factor were available]

Task 5

(a) Candidates were asked to explain *price discrimination* and to identify what advantage it offered to the company. Mostly the definition was well done but candidates were not so strong on the advantage. The company has the policy of charging different prices to different clients for the very same training packages, *and so price discriminates* – candidates generally understood that. The advantage offered by this policy meant that no potential client was excluded from buying into the training and this resulted in 'Making A Difference' encouraging a high demand for its courses. The case study referred to clients coming from variety of economic backgrounds so candidates could have inferred that there was a differing ability to pay training fees. The essence of the advantage was recognised but most failed to refine their responses.

[2 marks possible for the definition plus 2 for the advantage]

(b) This task called for an explanation of a *niche market* and was fairly well executed despite firm clues in the text. Candidates were required to explain that a niche market is a small or specialised segment of a larger market. In the niche market there would be few competitors. The context was provided by the fact that whilst there are many companies involved in staff training and development very few, like 'Make A Difference', actually specialise in customer service. Only a few candidates highlighted the feature of a niche market by comparison with mass marketing.

[4 marks were possible]

(c) This task required the identity and description of three features of the company's (i.e. 'Make A Difference') customer service. The text made the point that the company maintained a high quality of customer service and this, of course, would be expected of a business devoted to customer service training. So many candidates avoided the context and wrote as if the company were involved in manufacturing and distributed via showrooms or outlets. Some latitude in the marking emerged because of the avoidance of context but so long as the general points were made and understood then marks were awarded. However, references to taking back goods and asking either for refunds or exchanges were not rewarded. The whole point about customer service is to give the client a good experience of the company. This is achieved by how the employees behave towards the clients in terms of manner, appearance, speech, courtesy; how well the training staff prepare for and deliver the training courses; how the company identified and then sought to satisfy a clients' training requirements; how complaints are investigated and remedied. Many responses picked up the foundation of these matters but few really demonstrated a firm grasp of customer service. [4 marks were available for each of the three points]

Paper 5172
Effective Business Communication

General comments

The standard of performance in relation to this paper appears to be generally good overall with a few exceptional Centres which was really encouraging. However, the depth of discussion in many instances was quite disappointing, with answers tending to be quite brief with little elaboration on key points. This often tended to be Centre specific and clear trends relating to Centre performance were quite evident in some instances.

Time management – Many candidates seemed to perform quite poorly in **Task 5** because they had run out of time. As this is a three part task, it is quite unfortunate, particularly because most of the answers in relation to press releases in **Task 5 (c)** were very weak, mostly unanswered. The same applied to those answering **Task 5 (b)**. Additionally, writing tended to deteriorate quite considerably at this stage, and at times writing was barely legible. The structure of this paper has been the same for several sessions, and therefore it is apparent that there are five tasks, which means that the two hours of the examination should be split into five equal sections, with each task totalling 20 marks.

On a more positive note, the *format and presentation of material* seemed to be quite good on the whole and there was evidence to suggest that candidates had been well prepared for the exam. There were clear headings and subheadings and plenty of space between writing. This is evidence of good practice and this should continue.

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 script in order to be able to mark coherently.

Comments on specific tasks

Task 1

(a) The focus of this task was the role of internal communications with the bank and the consequences of poor internal communications when introducing new systems.

In the main this task was quite well answered with the average mark being around 5 marks out of 6. Many candidates seemed to have a good grasp of the issues and were particularly strong when considering the consequences of poor internal communications, including the mention of issues such as low morale and motivation, lack of understanding, inappropriate management and no clear aim and purpose of communication. This was very encouraging as a starting point for this examination paper.

(b) This task asked candidates to identify the most appropriate method of communication for Ahmed to use to explain the new systems. The answer would have most likely been either a team meeting, a quality circle, seminar or briefing. The point being, that the communication should be two-way, i.e. sharing information, asking questions and aiming to empower staff to take the new systems on board and work with them.

Each method selected was worth 4 points. However, many of the answers whilst accurate in their identification of method, failed to explain it fully and justify identified methods as a clear option.

(c) This task tested the concept of different types of communications i.e.:

- non-verbal communications
- meta communications
- paralanguage.

There was a distinct improvement in the candidate responses from previous sessions, which hopefully indicates the usefulness of these reports. However, some weaker candidates do still struggle with the concepts.

Good answers would have referenced the following:

- *Non-verbal communication* – the use of Kinesics, body language, dress, facial expression and posture, would be the main thrust for this area. However, in particular candidates seemed to keep including the written word, which is not what this is about. If they did this they were penalised for doing so and failed to gain the marks available.
- *Metacommunication* – relating to the sense that humans have in feeling that there is more to what a person says than just words.
- *Paralanguage* – the intonation used to emphasise what the real meaning of words are. It is not what is said but the way in which it is said. Candidates were then required to give an example, which might have included someone answering a question in a sarcastic tone.

Task 2

(a) This task required candidates to write a letter to customers telling them about the replacement of old credit cards for new electronic cards.

The answers to this task were by and large quite pleasing, with one exception, and that is the failure by many candidates to include an appropriate closure which requires customers to take action.

Candidates were assessed equally on format and body of the letter and it should have been structured as follows:

- letter heading of the company
- date
- reference number
- appropriate salutation – Dear Mr/Mrs
- letter heading – Customer complaint
- the body/content of the letter
- apology for problems and compensation
- appropriate closure and action
- signature and position.

The tone of this letter should be polite and persuasive, detailing the potential benefits of the new electronic card. The letter should have also included some instructions ultimately to tell customers what they need to do to get their cards changed.

Good candidates will have included this level of detail within their letters.

(b) This part of the task required candidates to explain the disadvantages of using electronic communications. Interestingly, many candidates suggested that Internet access was expensive – something not originally anticipated. However, clearly in many countries Internet access is expensive as is computer equipment, therefore, culturally the use of email is going to differ from country to country. Answers of this nature were accepted and the Examining Team are aware of issues of cultural diversity when marking such answers.

Task 3

(a) This task required candidates to identify sources of conflict within the bank, to which candidates generally responded really well. They were able to identify some of the following areas:

- lack of information or poor communication systems
- poor body language
- inappropriate language
- lack of leadership
- poor listening
- poor relationships
- different ideologies.

Often answers were reasonably well detailed and quite mature, which was encouraging.

(b) This task asked candidates to identify question types that could be used in interviews to identify reasons for low morale. Firstly, there is still a lot of confusion about what different types of questions can achieve, in particular leading questions. Candidates clearly did not understand what a leading question is, and generally offered an open question as an example of a leading question. Centres should therefore focus energies on developing typical question approaches.

An additional problem was the types of questions provided for example. In many instances the sample questions provided by candidates were not applied to the context of the case study scenario, and some very interesting options were offered, but were completely unrelated. Where this was evident, candidates failed to gain full marks.

Task 4

This task focused upon a range of different types of business interviews. Candidates did generally score quite well with this task, and few candidates failed it, which was encouraging.

(a) Performance appraisal – there is no doubt that candidates clearly understood the meaning of a performance appraisal and were able to provide at least two points relating to the appraisal. However, some points were barely discussed in any detail. Good answers would have referred in some detail to at least two of the following:

- identify achievement of objectives
- have a frank and open discussion between staff and line managers
- identify new objectives
- identify new training needs
- identify any problems or conflicts
- motivate staff.

(b) The second interview was an induction interview. In the main candidates were confident of this, however, some candidates did tend to refer to this as a selection interview, so marks tended to be slightly lower here. A strong answer would have included at least two points from the following:

- offer information about the company to new employees
- get to know new members of staff
- introduce new staff to systems and existing staff
- communicate the culture and objectives of the company.

(c) The third interview was a termination interview. In the main candidates could distinguish between a termination and disciplinary interview, however, some candidates did seem to get a bit muddled. Good answers would have included:

- to exit company position
- to give staff the information required for exiting the company
- to find out why staff are leaving.

This kind of termination interview can be led by dismissal of an employee or resignation of an employee and answers referring to both were considered. However, the main emphasis of answer was on dismissal.

(d) Disciplinary interviews threw up some interesting themes, namely the fact that employers punish employees. This is clearly going to differ from culture to culture, however, the main thrust of the answers should have been as below:

- establish facts
- caution staff about a problem
- follow legal requirements.

(e) Counselling interviews were generally well explained and the majority of candidates were able to acknowledge that the need for counselling is generally associated with personal problems resulting from work derived problems, or problems that impact directly upon the employee role.

Good answers would have included:

- identifying personal problems
- offering staff support and advice
- giving information about company policy.

Marks were awarded for a good and detailed explanation. Explanations whilst generally along the right line would have benefited from greater detail and even the use of examples.

Task 5

(a) In the context of customer requests for information, candidates were expected to explain one advantage and one disadvantage of the following types of graphical forms of communication, which could be used to present data.

Candidates were given specific graphical forms, as follows, and should have been able to provide some of the following advantages and disadvantages for each:

- *Pie chart* – total value of items must be known, use of colours to enhance impact, limited amount of in-depth information can be conveyed, it needs to be worked out in terms of 360 degrees
- *Line graph* – good for showing trends, cannot readily or clearly be interpreted if too many plotted lines of information, therefore, not helpful for complex information. Worryingly, candidates seem to think that line graphs are easy to develop and interpret, this is not the case
- *Bar chart* – vertical and horizontal scales showing the unit of measure, bars or equal lateral dimension, good for showing information, which is not too complex. However, limited visual impact if results are very close in value
- *Table* – good for tabulating complex information, limited immediate visual impact and difficult to interpret readily.

Those candidates who managed time effectively, actually went on in the main to achieve the upper end of the spectrum in marks, which was encouraging. Those who did not tended not to because the answers provided were illegible or very brief, and showing a lack of understanding.

(b) This particular task asked candidates to suggest how company brochures could be improved using modern technology. Many candidates did provide some useful insights, but in the main only one or two, because time was running out. This is a really good task and candidates could have done really well, if they had only managed things more effectively. Good answers would have included:

- graphics in word
- examples of CAD design
- CD containing a brochure with virtual tours of the bank
- brochure on the website with video clips.

Unfortunately, one observation is that generally candidates were not terribly creative with this sort of task.

(c) Candidates were expected to demonstrate a knowledge relating to the characteristics of press releases. This part of the task was very poorly answered again, and for the same reasons as October 2004. Answers were vague, ambiguous and clearly candidates did not understand what was meant by ‘characteristics’ of a press release.

Good answers would have included:

- written for publication to different audiences – journalist and target audiences
- content – information needs to be news worthy, credible and true
- structure and style – needs to include headline, facts, quotations, embargo data, need to be double line spaced, include photos etc.
- needs to be checked internally before release.

The majority of candidates really struggled with this part of the task, which was really disappointing, particularly, as it was raised as an issue in the October 2004 report as mentioned above.

Paper 5173
Business Finance

General comments

There was a noticeable improvement in the performance of the candidates from many of the Centres in the May 2005 examination. Centres appear to have prepared their candidates better for the examination and it was particularly evident that candidates were managing their time better. There are however some issues that Centres are urged to address in order to maximise the prospects for their candidates. Firstly, Centres are requested to insist that when a candidate attempts to solve a numerical task that they provide a formula or an explanation of how they are approaching the task. This will allow the candidate to pick up some marks even if their calculations contain errors. Secondly, many candidates lost marks because their definitions were too vague. Centres are urged to stress the need for precision when defining terms.

Comments on specific tasks

Task 1

In general the responses to all parts of this task were good with many candidates achieving near full marks.

Task 2

Many candidates scored high marks on this task. The answers to part **(a)** often merited the full award but it would have helped some candidates if they had provided a formula showing how they were attempting to solve the calculation. The answers to part **(b)** were rather disappointing. Many candidates provided only one valid reason or tended to repeat themselves when providing the second reason.

Task 3

The majority of candidates provided very satisfactory answers to this task. The answers to part **(a)** were often totally correct with the four users identified. A minority of the weaker candidates did confuse the status of the shareholders as external to the firm. This could only be correct if the candidates had been describing potential investors/shareholders. The responses to part **(b)** were less satisfactory as many candidates did not provide four different ratios and did not extract the information from the Case Study to calculate the ratios.

Task 4

The answers to this task were generally quite good with many candidates demonstrating a sound grasp of the process required to provide a solution. However, a minority of candidates did not provide an explanation of how they were calculating the stock figures and they lost marks when errors crept into their calculations.

Task 5

This was the least well done of all the tasks on the paper. Although many candidates could identify the relevant principles, few candidates could provide totally accurate explanations of their chosen principles.

The answers to part **(b)** were very disappointing with very few candidates able to extract the relevant data from the Case Study to explain how the principles were being applied in the Case Study firm.

Task 6

The majority of candidates produced very satisfactory answers to this task, but once again some candidates let themselves down by not providing a formula at the start of their answers.

Paper 5174
Marketing

General comments

It is pleasing to see some improvements in performance at this level this session. However, there are still a number of areas in terms of both technique and knowledge of syllabus topics which could be improved. Specific syllabus content areas are covered in the section on tasks below.

Examination techniques could be improved in the following areas:

- *Reading the question carefully*. In some cases, although the task required an explanation, many candidates simply listed the items requested. Candidates should be encouraged to practice answering tasks from previous papers to help them to understand the requirements of the tasks set.
- *Poor time management*. This is a common mistake. Candidates who fall into this category often spend 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.

It was disappointing to see a considerable number of candidates only complete parts of tasks and omit answers to some tasks completely.

Comments on specific tasks

Task 1

This task was set to assess candidates' general understanding of the role of marketing and the advantages of a marketing oriented culture. Part **(b)** was generally done better than part **(a)**.

(a) In this part of the task many candidates focused their attention on the importance of a marketing orientation generally, and neglected the examples of advantages this offered the company in the case study that were asked for. This limited the number of marks available.

(b) It was pleasing to see that the majority of candidates that addressed this part of the task were clear on what relationship marketing is and also how it helps to retain and acquire customers. Those who gained high marks also recognised that very loyal customers would promote the company through word-of-mouth promotion.

Task 2

This task was set to assess the section of the syllabus on marketing research.

(a) This part of the task gave an opportunity to gain 6 marks with straightforward knowledge based answers. While some candidates answered this well, it was disappointing to see that some candidates did not understand that market research was only part of marketing research.

(b) Answers to this part of the task varied in strength from those which simply identified that an investigation of product, packaging, pricing and promotion was necessary, to those who recognised that it was important in reducing the risk in business decision making and so saving money.

Task 3

This task was the one that caused most problems to some Centres. Candidates should be encouraged to read the whole of a task before answering part of it. Although part **(b)** asked how marketing could be used to respond to the influences identified in part **(a)**, many candidates listed elements of the marketing mix in both parts of their answer.

(a) A wide range of influences were accepted here including age, education, perception, learning, culture, family, etc. Some candidates outlined the buying decision process and, although this was not specifically asked for, where suitable influences were identified at the stages of the process, marks were awarded.

(b) Highest marks for this part of the task were awarded to those who linked their answers to the answers given in part **(a)**. However, those who were able to suggest marketing activities that respond to some influence on buyer behaviour were also awarded marks.

Task 4

This task was generally the one in which candidate performance was strongest. Poor answers described financial auditing rather than the marketing audit, and also did not answer all parts of the task.

(a) Most candidates were able to identify that the audit looks at internal and external factors that impact on marketing, including competitor activity and analysis of current marketing activities.

(b) Most candidates defined segmentation well and gave examples of its use by the company in the case study.

(c) Many candidates outlined in full 7 element marketing mixes.

(d) This was generally weaker in the way it was answered than the other three parts. Good answers identified quantitative and qualitative control mechanisms and included examples of these.

Task 5

This task was set to assess the promotional element of the marketing mix. Responses were disappointing, although it was pleasing to see that mistakes that have been made in previous sessions were avoided, i.e. the answers this time did focus on communications rather than other marketing mix elements.

(a) Some candidates gave good answers to this section on the communications process. Others unfortunately confused encoding and decoding with computer activity rather than communications in a marketing context.

(b) This part of the task allowed 3 marks for each of four communications tools. It was disappointing to see so many answers simply describing the communications tools. To gain full marks these tools needed to be linked to the context of the case study and to deal with ways in which they might be integrated/used to support each other.

Paper 5175

Human Resource Management

General comments

It is pleasing to note that the general standard of answers on this paper has improved slightly. The response to the descriptive type of tasks was better than those requiring a detailed explanation.

Interestingly, many candidates did not make good use of the case study and consequently were unable to provide the complete answers required. The failure to use the case study provided is an examination technique issue. The teaching of examination techniques is as important as teaching the core HRM materials and the final weeks of any course should be dedicated to exam techniques as well as practicing with past papers. The style of this examination is now well established and so candidates should not be surprised by the demands made upon them. The case study is a deliberate attempt to stimulate their knowledge and provide outlines to the answers required.

Comments on specific tasks

Task 1

(a) Candidates clearly understand the operational side of HRM and were able to relate this to Bharat's role. However, individuals knowledge of strategic HRM appears to be less detailed and in some cases non-existent. This meant that for many only half of this task was answered.

(b) Candidates were able to answer this but not always in the context of the case study. Answers were very theoretical with little or no examples. The case study provided a number of important points that could have been used.

Task 2

(a) The majority of candidates failed to answer this task fully. Answers ranged from a detailed analysis of the local labour market to an analysis of the jobs available in the company used in the case study. Once again the ability of candidates to link the two parts of this task was not evident.

(b) Many candidates simply did not understand what 'technical change' meant. This is worrying given that this is an important part of the syllabus and is a very real issue for HRM in the modern business world. Once again reference to the case study was rare and brief.

Task 3

(a) Candidates answered this task well and there is evidence of a good understanding of the different forms of contract that can be used. The better candidates clearly understood the reasons why different contracts are required.

(b) This part of the task was also well answered, the best answers coming from those that kept the explanation of the process simple and explained each stage. A number of candidates insisted upon going through the recruitment and selection process rather than what was asked for. The weaker candidates clearly still find it difficult to distinguish between recruitment and selection.

Task 4

(a) Candidates appear to have a problem distinguishing between 'working patterns' and 'working structures'. This is an issue that Centres need to address urgently. The result of this confusion was that many candidates scored 'zero' on this part. An alternative answer was to use the answer to **Task 3 (a)** as a basis for the different working patterns. Centres also need to address this issue.

(b) It is a surprise and of some concern that this part of the task did not score more highly. Appraisal is always an area of the syllabus that is favoured by the majority, however, in this case many did not recognise this task as being linked to appraisal. Money seemed to be a preoccupation with the majority of candidates. Once again very few linked this to the case study.

Task 5

(a) The focus of the candidates answer was not the intended focus of the task. The intention was for the candidates to focus on the 'fringe benefits', especially those detailed in the case study. Many of the answers ignored this and looked at pay, contracts or working patterns. The emphasis was once again heavily on pay. Candidates need to be clearly instructed on the differences between 'pay' and 'benefits'.

(b) The answers to this task were disappointing. The majority of candidates concentrated upon the internal influences rather than the external influences. The power of the trade unions, bonus payments and production levels were frequently discussed. Far less frequent were discussion on the legal constraints, skills/qualifications etc. Candidates need to be aware of external influences which shape the way many organisations operate. This is an important issue that should be addressed as a matter of urgency.