BUSINESS ADVANCED LEVEL

Paper 5179

Business Organisation and Environment

General comments

This examination paper offered 32 assessment points with tasks earning between 2 or 4 marks each. The object was to give candidates a more accessible and user-friendly examination paper.

It is important that the entirety of the syllabus is taught; some tasks were weakly answered owing to a general lack of business knowledge. Unfortunately 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. Previous examination papers and the Principal Examiner reports are readily available and it is recommended that they are used during the revision period.

There are several areas of continuing concern arising from this examination:

(i) Candidates must read both the case study and the accompanying tasks carefully. They must ensure that they understand precisely 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 stressed that 15 minutes' reading time is provided in order to help candidates become acquainted with the case study and the tasks given in the examination paper.

(ii) Candidates must learn to differentiate between the demands of different types of tasks. The number of marks allocated to a task, together with the specific instruction given in the task, should be used as a guide to the level of answer required. There is very little to be gained from writing a detailed answer to a 2-mark task and then ignoring the requirement to provide a more detailed answer to a 4 mark task. The short tasks usually specify what is required e.g. a list and this is how the response should be presented as only a maximum of 2 marks are available. Tasks with higher values, e.g. 4 marks, may ask for explanations or development and provide the candidate with an opportunity to achieve higher marks. However, at no point in the examination paper are candidates required to submit lengthy essay-type answers. A succinct and focused answer is preferable to one that is convoluted and offers little substance. Candidates are expected to write in enough detail to demonstrate to the Examiner that they understand the tasks but not to provide lengthy answers.

(iii) The object of having the case study is to expect candidates' responses to be made in *the appropriate context.* This means that responses should be clearly related to the case study – in this instance to Critical Incident Solutions (CIS), unless the task really does ask for the repetition of general business knowledge. Marks are often lost if the context is disregarded.

(iv) Tasks mostly ask candidates to *describe* or *explain*, and a typical weakness is that candidates do not always submit enough focused 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 than the quality of written language. However, it must be emphasised that very poorly expressed answers, especially those which expect the Examiner to guess a candidate's meaning and intention, may not be marked very favourably. Teachers need to emphasise these points when preparing candidates for the examination.

(v) Candidates must not underestimate the importance of time management. Mostly candidates are able to attempt all the tasks within the allotted time but it is quite clear that some responses are hurried. 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.

(vii) 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 these instructions have a purpose. Examiners check each page submitted by candidates. and clearly labelled tasks and responses enable the examiner to identify and reward correct responses. , but if answers are mixed up then which are not clearly label run the the risk of

Comments on specific questions

The case study dealt with a company called Critical Incident Solutions (CIS) which advised business organisations how to prepare for those events which seriously threatened their existence e.g. extreme weather conditions, fire, and subsidence. Generally, companies without critical incident planning go out of business within 18 months.

Task 1

(a) (i) With more expansion of CIS likely, candidates were asked to suggest how each of two ways of raising finance might be suitable. This first task dealt with *the issue of more share capital*. Most candidates missed the point and either did not make the assumption that CIS had un-issued shares, so it could offer some of these for sale, or suggest the suitability of this method. A detailed response was not required but candidates should have recognised that the company was doing well and its share values ought to have been relatively high. By releasing un-issued shares the company would have received their market value instead of the offer price when first floated. It was a cheap and effective way of raising additional capital.

(ii) The second task focused on ploughed-back profits as a source of finance. Candidates knew what ploughing-back meant but very few attempted to explain why this method might be a suitable way for CIS to raise additional finance. Natural disasters and the threat of terrorism had brought in much more business and candidates could have reasonably assumed that CIS was profitable and putting some of that profit to reserves. Therefore it could fund the expansion from its own resources which represented a highly suitable and cheap means of raising the necessary funds.

(b) CIS is a PLC and candidates were asked to identify and explain two features of a public limited company. This is a fairly standard and familiar task which requires comment on just two features. Candidates had little difficulty in identifying the features but mostly they did not provide explanations. They were not required to write at length but rather they should have offered a well constructed sentence to demonstrate understanding of each feature. Candidates had several points to choose from and the following were the more likely examples: limited liability; shares being freely transferable; requirement for annual accounts to be published; public listing potentially enabling a large amount of capital to be raised.

(c) (i) Candidates were asked to explain two of CIS's business objectives and to provide a third one of their own choosing. The first objective was *growth* which meant that CIS would have more contracts, business activity, higher turnover, more consultants, better profits, and an enhanced market share. The case study suggested that CIS had benefited from a rapid expansion and the reasonable assumption was that the company wanted to become a dominant player in the critical incident market. Candidates usually dealt with growth in general terms and references to the case study were often quite limited, with little evidence of application.

(ii) The second objective was *satisfying client demand including product development*. Candidates needed to acknowledge that client demand would change as the nature of critical incidents changed. Therefore the product, i.e. the advice and accompanying systems, must be changed or updated. As each new disaster occurred, CIS needed to learn from it in order to improve their advice and develop better strategies. Given the nature of the company's business, the consultants must be able to advise clients appropriately which is why there were so many specialists among the consultants. A number of candidates, in referring to product development, spoke of brand names, colour, size and shape which clearly indicated a lack of understanding and/or use of the case study. Too many responses were out of context.

(iii) Candidates were expected to *choose* the third relevant objective so long as it was not profit. This task proved difficult for most candidates. Despite the exclusion of profit there were still a number of candidates who chose to write about it and so earned no marks. Others went to the case study and decided that *'the nature and quality of its advice and systems'* was a separate objective and did not seem to realise that it was an extension to product development and covered by the preceding task. The more likely objectives were, for example, market penetration, economic survival, improving revenue and the provision of employment.

Task 2

(a) The case study referred to CIS working within a matrix structure and candidates were asked to identify and explain one advantage and one disadvantage of a matrix structure. Generally the candidates answered this task quite well and recognised the issues. The *advantage* needed to focus on the fact(s) that a matrix encouraged better coordination of work and projects; offered staff better opportunities to employ their talents, expertise, and skills; and brought together staff from different sections or areas of expertise within CIS. A disadvantage was that the consultants may have found it difficult to carry out tasks when answerable to two project line managers or that there was the possible absence of a clear line of accountability, which is usually associated with a more hierarchical structure.

(b) Candidates were asked to identify and explain two stakeholders in CIS (*other than investors*). There were several stakeholders to choose from e.g. bankers, directors, executives, insurers, but the two obvious choices were *clients* and *consultants* (which many candidates chose). There were candidates who ignored the rubric to exclude investors and discussed shareholders – no marks were awarded for those responses. The *clients* paid CIS for professional and reliable advice and systems; without them there would have been no business; and they had the right to expect the best use of resources for their benefit. The c*onsultants* represented the essential employee elements in the company – they had skills and expertise which CIS sold to the clients.

(c) (i) This task dealt with the motivational theories and methods covered in the syllabus (assessment objective 2). The responses were not particularly good as candidates were mostly able to identify the theories but could not (or did not) relate them to the case study. Candidates had to explain the features of three theories and the first focused on *self-actualisation*. The basic explanation would have indicated that self-actualisation was a high order need and that it reflected the fulfilment of an individual's potential through achievement and being enriched by learning and experience. The application to CIS would have suggested that the consultants were highly skilled and would always seek to improve themselves and their positions; that they would expect high earnings, challenges, and direct engagement with business and political leaders.

(ii) The second theory was Theory Y and candidates were not expected to write about Theory X unless it was to make a significant point. Mostly the responses offered the correct definition of a theory Y employee enjoying work and taking responsibility. The application should have recognised that the CIS consultants were Y because they were self-motivated, stimulated by their work, liked responsibility, and were creative. There was also the point that their work was not a 9-5 job but a way of life.

(iii) Job enrichment formed the third theory. Although many candidates emphasised the motivational element there was confusion between enrichment and enlargement. Job enrichment is the process of giving employees increased responsibilitiy and increased decision making authority, whereas job enlargement only has an increased number of duties. Candidates should have explained that enrichment meant the opportunity for employees to use their abilities more widely and to do more that just repetitive fragments of a project. The application would have recognised that the consultants needed to employ their skills to good effect; that they had large areas of work with meaningful and responsible tasks which required a high level of communication and decision making; that the very nature of their work involved them in the totality of a project.

Task 3

(a) (i) In addition to fees or salaries, **c**onsultants were given bonuses. Candidates had to explain what was meant by an annual performance-related bonus. Mostly this was well answered as candidates recognised that the bonus was awarded in recognition of a consultant's achievements and contributions over the past year; that the bonus mostly related to the amount of fee income earned for CIS.

(ii) This task asked for an explanation of the difference between a salary and a fee. It was quite well answered as candidates appreciated that a salary was essentially related to a year's contracted work whilst a fee was a negotiated payment for services related to a specific project and period of time. Consultants were either permanent employees and paid a salary or self-employed and paid a fee.

(b) The nature of the company's business relied to some extent on teleworking. Candidates were required to explain teleworking and identify one benefit of it to the consultants. This was not a successful task as most candidates decided that teleworking meant using the telephone to contact clients. The telephone may be a component of teleworking but candidates really needed to acknowledge that it allowed consultants to work in any location e.g. aeroplane, train, home, overseas so long as there was a computer link between them and their head and/or local offices. The consultants could be expected to travel to any part of the world at a moment's notice so the essential benefit was that it enabled them to maintain contact with colleagues and clients regardless of their location. It also assisted them in planning their own work schedules.

(c) (i) This task was a familiar exercise and candidates were asked to discuss three expectations that CIS might reasonably have of its consultants. The first expectation was *effective time management*. This was a critical issue in CIS so any advisory or assistance programme needed to be tightly managed. It was considered a very important attribute when disaster struck and CIS had to resolve the ensuing problems. For CIS time was money. The task was well tackled in most cases but a number of responses talked of consultants being on time for work which ignored the structure of their working days and the nature of the business.

(ii) The second expectation was *appropriate skills*. This task was not well done as most responses reiterated the content of the case study pointing out the skills and backgrounds of the consultants. No consultant would have been appointed without skills essential to CIS but further self-development could be expected to meet changing disaster scenarios. Apart from their specialist and practical skills, the consultants also needed negotiating, people and presentation skills and it was the identity of these that the task was hoping candidates would recognise.

(iii) The third expectation was *commitment to the business and its objectives*. Candidates had a better understanding of this task although responses tended to be weak on context. Loyalty was certainly required among the consultants and the objectives of CIS ought to have been similar to their own individual objectives. They had good employment packages and were, therefore, expected to work hard to ensure the success of CIS. There was an implied link here with the task on annual performance bonuses – consultants wouldn't earn them if they weren't committed.

Task 4

(a) (i) Every company is affected by external factors that influence its business activity. This was another standard and familiar task. Candidates were required to explain how CIS might be influenced by three external or PEST factors. In the main the answers dealt with basic definitions but the context was mostly absent. Full marks were denied unless context was present. The first of the factors was competition. The better responses recognised that competition could sharpen CIS's focus on its market with an impact, perhaps, on fees charged, advice packages, and the nature of systems installed. Competition could potentially force CIS out of business. The number of natural disasters (e.g. hurricanes, tsunamis) and terrorist acts in recent years may have encouraged a growth in the number of similar agencies in the market. The impact of competition therefore depended on how many other critical incident agencies there were.

(ii) The second factor dealt with *Government policies towards business*. Responses were not very CIS related. This was not a task about those government business policies concerned, for example, with location incentives or employment grants. A common and acceptable response was about taxation but the focus was whether any particular government was aware of the likelihood of critical incidents and had policies to assist companies, with direct aid or tax holidays, to install defence systems (for computers, buildings and staff). A detailed response was not required but candidates should have been able to deduce these points from the case study.

(iii) Candidates were asked to identity a third relevant factor. This was not a successful task in that most candidates were unable to identify an appropriate issue. The more obvious choices could have been drawn from interest rates, inflation, the trade cycle and exchange rates, but they needed to be explained in the context of CIS.

(b) (i) The location of CIS's offices was considered crucial and candidates were asked to explain two factors of location and how they might affect CIS. The first issue was *occupancy costs*. Only a few responses seemed to indicate knowledge of occupancy costs and many candidates talked of the cost involved in, for example, providing living accommodation for consultants. The point to be recognised was that prestige offices were expensive and the occupancy costs covered rent, lease or mortgage payments, services, furnishing, and security. A good address reassured clients and indicated success but the costs needed to be closely monitored and controlled. Many responses talked of these costs coming out of profit rather than expenses. The responses were not developed.

(ii) The second location factor dealt with *access to markets*. The CIS market was not only global but also local (i.e. serving a country or an international area) so offices were also required to deal with 'local' business. Most responses suggested that CIS ought to have been located where potential clients could reach them. However, when the situation demanded, CIS went to clients. Candidates failed to realise that modern day communications meant that CIS could stay in touch with or be contacted by clients anywhere – so actually the location of CIS offices might not have been so important. Equally consultants could be in place anywhere in the world within 24 hours so perhaps proximity to major airports and motorways was an important factor. Basically the task was not understood.

Task 5

(a) (i) The Chief Executive Officer said that CIS was in a *global* rather than an international market. Candidates were asked to explain the meaning of a global market. This was not a demanding task and candidates really only needed to indicate that the global market was literally the entire world. The nature of CIS's business meant that it could be called at any time to any business or Government *anywhere in the world.* Mostly it was well answered.

(ii) Candidates were then required to define an international market and, as with the former task, it was quite well done. Essentially candidates needed to say that for a company to claim being in the international market it would need to be selling to or operating in several countries but not to every country.

(b) CIS regarded its clients as its main resource and candidates were asked to explain what this meant. Most responses acknowledged that without clients there would be no business but no reference was made to the fact that they were therefore the most important stakeholders: that they meant employment, business, earnings, profit, and success. Clients were to be treated with due respect. Responses suggested client satisfaction but the points weren't really developed.

(c) (i) This task focused on the company's marketing policy and three aspects were offered for consideration. The first was *pricing* and most answers were rather weak. Candidates tended to repeat the reference to pricing in the case study but there was little attempt at application e.g. CIS's high prices were a reflection of the level of experience and expertise of its consultants. CIS could charge almost what it liked so long as it remained a leader in its field and offered high quality advice. There were many responses which talked of clients having enough disposable income to afford CIS's services and this point alone indicated a lack of awareness of both the meaning of client and the service offered by CIS.

(ii) The second aspect dealt with the availability of substitute services. Unfortunately many candidates believed this referred to CIS offering substitute services rather than those offered by competitors. The availability of substitute or alternative services dictated CIS's position in the market place: were there many others or just a few? What range and quality of advice and service did they offer? The presence of competitors might have influenced CIS in terms of its fees and services. This was not a successful task.

(iii) The final aspect of the marketing policy was the size of the market. Many candidates made general comments about market size and how it might affect marketing policy but they were not developed. The essential point was overlooked, namely that CIS's market had no quantifiable size; that it was global; that since critical incidents could affect everyone in an area the market was thus limitless. It could equally have been argued that as CIS gathered more experience and operated more portfolios, its potential market got larger.

BUSINESS ADVANCED LEVEL

Paper 5172

Effective Business Communication

General comments

The standard of performance in this session was generally acceptable. However, as with previous sessions, there were only a few exceptional scripts. This is quite disappointing given that resources such as past papers, reports, the teacher support site and teaching plans are available to support the examination preparation for the Advanced Level Papers.

Time management continues to be a problem for some candidates, with many running out of time during Task 5. It was hoped that this would improve over time, but even when candidates have completed the final task it is often of a much poorer standard than the other tasks, indicating that it was done in a hurry.

There was some concern amongst the examining team that candidates often read only part of the task, and as a result limit the marks which can be awarded. It must be stressed that 15 minutes' reading time is provided in order to help candidates become acquainted with the case study and the tasks given in the examination paper. Candidates must read both the case study and the accompanying tasks carefully, not just the first part. They must ensure that they understand precisely what the Examiner wants them to do. All too often, candidates fail to do justice to themselves simply because they have misread a task.

Candidates are expected to write in enough detail to demonstrate to the Examiner that they understand the tasks. They should check their answers to ensure that they have responded to each part of the task as failure to follow the rubrics and instructions often leads to poor responses, which attract only a few marks. Well thought-out sentences, which cover the requirements of the task, are to be encouraged.

It is acknowledged that the majority of candidates who sit for the Cambridge International Diploma in Business do not have English as their first language. It is the intention of the question paper to test their application of business knowledge and procedures; it does not test their level of English. A candidate can achieve high marks even though their work may contain spelling mistakes or grammatical errors. For example, a candidate can demonstrate their understanding of the use of a memo by providing the correct structure and relevant content in their memo, but with some errors in spelling or sentence structure. The candidate could still be awarded the higher level marks, provided the Examiner can clearly see that the candidate understands the requirements of the task and has applied their knowledge in the relevant context.

Presentation continues to be of a variable standard. Some candidates really do make an effort to present their work in a well structured and meaningful way, and are awarded marks for this, but others pay little attention to how their work is presented, and lose marks as a consequence. This is a business communications paper where presentation is, and always will be, an essential element of the assessment. Candidates need to remember this when writing their papers.

There appear to be some common reasons for disappointing candidate performance:

- Many candidates know the basics of the syllabus, but do not apply the relevant concepts to the case study scenario i.e. they fail to apply their knowledge to the situation given in the case study. The object of having a case study is to expect candidates' responses to be made in *the appropriate context.* This means that responses should be clearly related to the case study.
- The work must be focussed on what the task has asked for. Some candidates tend to waste time by writing all that they know about a particular topic without any attempt to make it relevant to the task. Generalist answers, which are not related to the case study, do not attract higher level marks.
- Some candidates do not read or analyse the requirements of the task sufficiently, perhaps due to the pressure of the examination situation. This failure to read the task carefully results in low or no marks being awarded. Tutors can help candidates develop this skill by discussing past papers during

teaching sessions and by providing practice sessions under exam conditions. Furthermore, all part of a task should be addressed.

- Candidates should be encouraged to identify the concept or competence criterion which is being tested and then identify how they should respond. Each task either relates to a different topic or asks for a different type of response. Prompt words tell the candidates what they should do e.g. list, explain, write, give examples etc. If a candidate finds that they are repeating themselves, then they should re-read the question to check that they have understood what is required.

The specifics of each task for this paper are detailed in the section that follows.

Comments on specific tasks

Task 1

(a) The first part of this task asked candidates to identify four potential barriers to communication that might arise during the delegates' visit. Good answers included:

- Language barriers
- Cultural barriers
- Inappropriate use of language
- Inappropriate medium
- Too much noise

Many candidates included these responses. However, some candidates just made a list of communications barriers, without any reference to the context of the task. The meeting in the task was face-to-face and therefore answers which included barriers such as time differences, a poor telephone line, or difficulties transmitting emails were not correct. These responses were a typical example of candidates not reading the task carefully and failing to apply their knowledge in the relevant context.

(b) The second part asked candidates to explain three methods of communication most suited to information sharing in the context of staff training. Clearly the requirement here was for face-to-face communication including team meetings, team briefings, seminars and quality circles. However, many candidates included letters, memos and reports. These answers were of course incorrect. Again, this is a case of failing to interpret the task correctly.

(c) The final part of the task, asked candidates to explain Kinetics, Metacommunications and Paralanguage. These topics have appeared in previous sessions and there was evidence to suggest that answers were generally much better, which was indeed encouraging.

Task 2

(a) Memo writing is a standard task for this examination and is recognised as such by Centres preparing candidates for examinations. Having said this, the quality of answers varied greatly particularly with reference to the actual content of the memo. The layout of the memos was often fine but the content was variable with some Candidates failing to explain in sufficient detail the purpose of the visits.

(b) This task asked candidates to explain the benefits of emails and faxes. Of course candidates described emails particularly well, but seemed to be less sure about faxes, with very few candidates recognising the link between faxes and telephone lines.

(c) The final part of the task, asked for candidates to identify six essential features of a report. Sadly, many candidates were unable to answer this task, and it is clear that from a teaching and learning perspective more emphasis is required on report structures and formats. This was generally disappointing.

Task 3

(a) Candidates were asked to identify and explain different aspects of a group, including group attributes, purposes and norms. Candidates really struggled with this task, and answers were often quite vague and muddled. This indicates the need for much more teaching in this area. The focus on groups forms quite a significant part of the syllabus and candidates must be better prepared.

(b) In this part of the task candidates were asked to identify five key features of running a meeting successfully. In the main candidates did relatively well on this answer, but equally some candidates had little or no idea how to respond to the task. Good answers included:

- Working to an agenda
- Keeping the discussions under control
- Managing time scales allocated for each discussion point
- Ensuring that everyone in the meeting has an opportunity to contribute properly
- Arranging for minutes to be taken, produced and circulated
- Deciding on action points and allocating responsibility for those points
- Suggesting and agreeing the date of the last meeting

(c) Part **(c)** was linked to part **(b)** and the topic of meetings. Candidates were asked to explain the purpose of taking minutes, and then to discuss what happens to the minutes after the meeting. In general candidates were quite good and produced some reasonable answers. However, there were some answers which were quite basic in terms of the content provided.

Task 4

(a) This task required candidates to explain two purposes of undertaking a recruitment interview. Most candidates were able to do this quite well, which was encouraging. Good answers included:

- Pick the right person for the job
- Allows an exchange of information and ideas
- Enables both parties to listen to the other and see if there is a mutual understanding
- Assesses the level of interest on the part of both parties
- Allows a controlled contribution between the employer and the interviewee

(b) Candidates were asked to prepare a brief guide for conducting interviews for the forthcoming recruitment of hotel staff. This type of task is a regular feature of the examinations and candidates often get parts of it right, but very few score high marks. Clearly the subject knowledge is there, but the ability to develop it and use it effectively is quite limited. Candidates must release that a list of bullet points is not sufficient for this type of task. There must be some expansion on the points. It is important for candidates to understand that in a real business communications context they would be expected to produce more than just a list of bullet points; managers and co-workers would expect some explanation and direction.

(c) The final part of the task asked about different question techniques, for example leading questions, hypothetical questions and open questions. Candidates were expected to explain each one, followed by an example. In the main this was generally acceptable, and although candidates are often able to explain the differences, their ability to give a sample question is rather more limited. Again this is an area for future development.

Task 5

(a) In this task, candidates were asked to provide one advantage and one disadvantage of bar charts, line graphs, tables and pie charts. There were a number of disappointing responses for this task. Some candidates mis-read the task and drew pictures of a pie chart, bar chart and line graph. This did not gain any marks, because it did not answer the task. There is a distinct difference between a line graph and a bar chart, which many candidates failed to demonstrate. Some candidates failed to adequately define the advantages and disadvantages of each type of chart. This is a core area of the syllabus and it is imperative that candidates have a full understanding of each of the visual forms of communication, how each one is constructed, how they illustrate information, why they are beneficial and the specific benefits and disadvantages of each type of chart.

(b) This part of the task asked candidates to give the benefits of using Gantt and flow charts. Here candidates either knew the answer, and did well or very clearly did not know. In many instances it was clear that candidates did not know what a Gantt chart or a flow chart was, the roles they play in communications or the benefits of using them.

(c) Finally, candidates were asked to describe what PowerPoint is and to identify one benefit of using it. Again, candidates either did or did not know what PowerPoint is and sadly a good number of candidates did not know. Again, it is important that candidates are familiar with software packages that are designed to assist in improved business communication. Such tasks will continue to appear in the examinations and candidates must be familiar with the topic.

BUSINESS ADVANCED LEVEL

Paper 5173

Business Finance

General comments

Overall the performance of the candidates who sat the May 2007 examination was satisfactory. The majority of candidates appeared to manage their time effectively and produced answers to all of the tasks set. However candidates and Centres are reminded of the need to study the marks allocated for each task or part task carefully so that they avoid spending too much time on tasks that carry a small allocation of marks.

Once again it is necessary to stress the need for all candidates to provide a formula when they are undertaking a task that involves a calculation. Marks are always awarded for showing the processes used to undertake the calculation, as well as providing the correct answer. Candidates should show all their workings so that the examiner can identify which parts of the response are correct and where an error was made. In this way it is possible to award some of the marks allocated to the task even though the final answer given by the candidate is incorrect.

Comments on specific questions

Task 1

Overall the responses provided by the majority of the candidates were satisfactory with many candidates scoring high marks for this task. This is very pleasing as it appears to indicate that in many Centres the candidates are being introduced to the topics in the syllabus in an holistic manner rather than in a narrow accounting based manner. Centres are to be congratulated for this approach as it is likely to favour their candidates.

Task 2

This task was answered well by the majority of candidates with most candidates providing sound answers to all three parts of the task.

Task 3

The responses to this task were a little disappointing. Many candidates lost marks because they did not provide a complete answer – the calculations required that both the stock retained **and** the stock issued should be shown, but many candidates **only** calculated the stock retained figure**.**

Also some candidates lost marks simply because they did not show how they were attempting the calculations. Without the formula, or workings, it is difficult to identify which parts of a response are correct or whether the candidate has an understanding of what is required. Candidates who show the formula used and their workings are more likely to be awarded some of the marks available for a task, even though their final answer is incorrect because the examiner is able to identify where the error occurred. Candidates whose answer is incorrect and who do not show any calculations or workings are not able to attract any of the marks available for the task.

Task 4

The responses to this task were generally very good with the vast majority of candidates able to provide correct answers to all three parts of the task.

Task 5

The answers provided for this task were generally very poor with only a small minority of the candidates being able to produce a balance sheet in a recognisable format, or a balance sheet that actually balanced. Centres are recommended to ensure that candidates for future examinations are able to undertake this type of task as it is a fundamental part of the syllabus.

Task 6

The answers provided for this task were variable with most candidates able to discuss the roles of the financial and management accountants but not able to discuss the role of the cost accountant, which was less well known. As a result many candidates lost one third of the available marks.

Task 7

The answers provided to this task were generally very good with the majority of candidates able to undertake the necessary calculations. However there was a small minority of candidates who did not produce a formula to show how they were attempting the calculations and therefore failed to achieve any marks at all when they provided an incorrect answer. As mentioned earlier, candidates who show the formula and their workings are more likely to be awarded some of the mark available for a task, even though their final answer is incorrect. When workings are supplied the examiner is able to identify where the error occurred and to award marks for those parts of the calculations which are correct. Candidates whose answer is incorrect and who do not show any calculations or workings are not able to attract any of the marks available for the task.

BUSINESS ADVANCED LEVEL

Paper 5174
Marketing

General comments

It is pleasing to report that some Centres achieved very good marks for this paper in this session. Good candidates know the syllabus well, and are able to identify the relevant concepts required by each task. The best candidates also apply these concepts to the situation in the case study. There were some very good examples of marketing mixes in the final question.

However, there were unfortunately still a considerable number of weak responses by candidates and, in particular, Centres who have entered candidates for the first time should note the points that follow.

There appear to be some common reasons for disappointing candidate performance:

- Many candidates know the basics of the syllabus, but do not or cannot apply the relevant concepts to the case study scenario i.e. they fail to apply their knowledge to the situation given in the case study.
- The work must be focussed on what the task has asked for. Some candidates tend to waste time by writing all that they know about a particular topic without any attempt to make it relevant to the wording or requirements of the task. Lengthy, generalist answers, which are not related to the case study, do not attract the higher level marks
- Some tasks are not attempted. Many candidates still do not attempt all the tasks on the paper.
- Failure to read the task carefully. Some candidates do not read/analyse the requirements of the task sufficiently, perhaps due to the pressure of the examination situation. Teachers/tutors can help candidates develop this skill by discussing past paper tasks during teaching sessions and by providing practice sessions under exam conditions.
- Candidates should be encouraged to identify the concept which is being tested and identify how they should respond. Each task either relates to a different topic or asks for a different type of response. Prompt words tell the candidates what they should do e.g. list, explain, give examples etc. If a candidate finds that they are repeating themselves, then they should re-read the question to check that they have understood what is required.

The specifics of each task for this paper are detailed in the section that follows.

Comments on specific questions

Task 1

(a) In this task most candidates were able to explain how marketing could help Confidence Industries when launching their new dhabas. However, only a few were able to give suitable examples linked to the case scenario. For example, marketing can help organisations to understand the increasing sophistication of consumers, who are more demanding of the companies that supply them with goods or services. This has come about because of the wider availability of information in the media. Confidence can gain information about the needs of the two different target customer groups – truck drivers and upmarket travellers.

(b) In many cases this part of task 1 was not fully covered. Many candidates identified the fact that customer needs and wants would be satisfied, but then there was a lot of repetition from part (**a**). Candidates were expected to explain how adopting a customer orientation would benefit the company – for example, getting all employees to work together for the benefit of the customer, even though this may mean restructuring, the company would ensure a more satisfactory launch of the new service.

Task 2

Generally this task was done very well and most candidates appear to have a good understanding of the importance and the practicalities of marketing research.

(a) Most were able to list the stages of planning a marketing research project, and a simple list was all that was required.

(b) Although candidates were able to identify secondary research methods and give general benefits for the two selected, the justification for their selection in relation to the case study was generally weak.

(c) It was pleasing to see that many candidates now have a full understanding of the various methods of collecting primary data. However, as in part **(b)** the link to the case study was rarely made.

Task 3

This task was also done well and the understanding of segmentation was generally good.

(a) Many candidates were able to suggest methods of segmenting the market for the dhabas but few linked these to the case study.

(b) While some candidates did this section of the task well, many simply gave methods of segmenting rather than reasons as requested by the task. It is important that teachers cover examination technique as part of the teaching for this examination, and stress the importance of reading the tasks carefully.

Task 4

(a) This part of the task was done well, and even where candidates gave planning processes with more than seven stages, marks were awarded for:

- The marketing audit
- Its summary in a SWOT analysis which helps with
  - The setting of marketing objectives
  - Segmentation of the market
  - Development of a strategy to meet objectives
  - Development of the tactics to achieve the strategy in the form of a marketing mix, and
  - Measurement and control mechanisms.

(b) This section of the task was not done as well. Candidates at this level are expected to recognise the difference between strategy and tactics in terms of being efficient and effective, as well as achieving customer satisfaction and competitive advantage, and differences between short and long term planning. While once again some candidates were able to list some of these issues, very few indeed were able to explain why they needed consideration.

Task 5

(a) Candidates were able to explain how the 3 Ps of the extended marketing mix related to Confidence's dhabas. However, the task asked why they were of particular importance to Confidence in that they offer a service rather than a tangible product. The characteristics of services would have helped justify the use of these 3 Ps.

(b) Some candidates put forward very good 7P marketing mixes in this part of the task. They recognised the significance of the fact that the dhabas were in the introductory stage of the life cycle and the impact of this on the make-up of the mix.

Unfortunately other candidates put forward only a single element of the marketing mix and developed fuller explanations of the product life cycle. Candidates should again be reminded to read tasks carefully as marks are not awarded for explanations that are not asked for.

BUSINESS ADVANCED LEVEL

Paper 5175

Human Resource Management

General comments

Candidates appear to be better prepared for the examination than in previous years and this is a pleasing trend. However there are still areas of the syllabus that appear to be neglected.

Candidates are also struggling in many cases to apply their knowledge to the case study situation. Time spent applying the knowledge learnt would be well spent. Centres are urged to use the syllabus for the year of examination and be aware of any changes as they occur.

Comments on specific tasks

Task 1

(a) There still appears to be confusion over the meaning and purpose of HRM. Those candidates who did understand the meaning had difficulty applying this to the case company, MCL, and the situation.

(b) The majority of candidates produced a very basic answer to this question. The use of technical terms was minimal and many candidates ignored the question and simply explained what happened in the company in their own words.

Task 2

(a) This area of the syllabus appears to be poorly taught or poorly understood by the candidates. Candidates were able to identify elements of the labour market quoted in the case but very few understood the significance to MCL. This is not the first time that a labour market question has been poorly answered, which is a cause for concern.

(b) The majority of the candidates were unable to separate ‘pay related’ and ‘employment protection’. Many wrote a detailed account of what MCL had not done but few actually answered the question.

Task 3

(a) This question was extremely well answered. Candidates clearly understand the different types of contract and how they work. A significant number of candidates were able to relate their knowledge to MCL

(b) This question was the most poorly answered question on the entire paper and very few candidates were able to make even a reasonable attempt. HR planning is an extremely important topic and Centres need to ensure that this part of the syllabus is covered in some detail.

Task 4

(a) The answers to this question were disappointing. Students clearly understand the discipline and grievance procedures but for communication few went beyond ‘meetings’ which were poorly described.

Too many candidates did not read the question and only produced one system instead of the two requested.

(b) This question proved that appraisal is well taught by all Centres and candidates clearly understand how it works. However, whilst the majority linked appraisal to performance few were able to explain the monitoring process. Very few managed to go beyond the appraisal process which shows a significant gap in their knowledge.

Task 5

(a) Only the most able candidates answered this question satisfactorily. The majority of candidates seemed unable to distinguish between financial rewards, fringe benefits and the nature of work as a motivator. Too many candidates seemed to believe that money is the sole motivator.

(b) A significant number of candidates mis-read this question and produced a plan for a training day or a training course. Others simply described three types of training but not necessarily in a logical order. It is pleasing to note that all aspects of training are well taught and thoroughly understood by the majority of candidates.