BUSINESS ADVANCED LEVEL

Paper 8928/5179
Business Organisation and Environment

General comments

It would be helpful if invigilators were asked to guide the candidates before they start the examination. The information on the front page needs to be read out aloud to the candidates so there is no question of misinterpretation of how they should proceed.

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 themselves justice simply because they either misread or fail to understand a task. Prior to the start of the examination, it must be repeated that 15 minutes' reading time is provided in order to help candidates become acquainted with the contents of the examination paper. They must use that time wisely.

(ii) 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 demonstration of general business knowledge, should be clearly related to the case study – in this instance to The Oriental Health Experience. Marks are often lost if the context is disregarded and this was a serious issue with this examination paper. It is not enough to display knowledge; it needs to be applied to the case study. Context is important and teachers are advised to emphasise this to their candidates

(iii) Candidates must learn that a short and focused answer is better than one which is long and rambling and which does not answer the task. Candidates need 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 not enough attention to one offering 4 marks. At no point in the examination paper are candidates required to submit lengthy essay-type answers but they must write in enough detail to demonstrate to the Examiner that they understand the tasks.

(iv) The tasks mostly ask candidates to *describe* or *explain*, and a typical weakness is that candidates do not always submit enough description or explanation. It is readily 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 much 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 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 was quite clear that some responses were 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 remains an issue although, in the main, scripts seem to be better presented. A few candidates did not clearly identify their responses or they wrote them in an erratic manner e.g. 2(b)(ii), 1(a)(i), 5(b)(ii), then 3(c)(iii) and so on. It must be understood that unclear or untidy scripts can present Examiners with unnecessary difficulties. No marks are deducted from scripts where candidates 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.* Neat and well presented scripts help the examiners to identify correct responses more easily.

(viii) 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 talk about examination technique 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.

Comments on specific questions

The focus of the case study was a company called Superior Storage Solutions which was trading as ‘Collections’. When the company started it sold albums for stamps, postcards, coins and photographs but later expanded its catalogue to include projectors, digital photography and software. ‘Collections’ was a private company with a booming business. Candidates had an accessible and user-friendly examination paper which offered 35 assessment points with tasks earning only 2 or 4 marks each.

Task 1

1(a)(i) Candidates were asked to explain what was meant by a *business plan* but were *not* expected to produce a detailed explanation. For just 2 marks it was sufficient to write a couple of sentences to highlight the main points and mostly candidates seemed to get this right. An appropriate response should have explained that the business plan was a statement indicating how ‘Collections’ expected to achieve its objectives. Mention of at least one supportive element was necessary like projected profit/loss, financing of the business, the medium to long term business forecast, the marketing plan or cash-flow forecast.

1(a)(ii) Candidates were then asked to suggest one benefit to ‘Collections’ of *revising its business plan* every year. The responses tended to indicate some understanding although few suggested that the annual revision kept the directors and executives focused on the company’s objectives. Generally it was appreciated that the company needed to rethink its ideas and forward planning.

1(b)(i) Aware that the Finance Director was worried about cost-control, candidates were asked to explain two types of cost. The first of these was *direct costs*. The majority of candidates understood the task and explained that they were the costs that could be *directly* attributed to a cost-centre. Many correctly identified raw materials but some of the examples given, however, were not direct costs (e.g. salaries). The common weakness in the responses was that very few recognised them as variable costs.

1(b)(ii) The second cost was *overheads*. Candidates appreciated they were indirect costs and not generated directly by the process of selling the storage systems. Salaries and lighting were the most common (and correct) examples but few candidates referred to these being fixed costs.

1(c)(i) **Task 1(c)** asked candidates to explain three business objectives of ‘Collections’; two were given and candidates were asked to explain a third of their own choosing. Each response was worth up to 4 marks. The first objective was *continuing product development* and of the three objectives this was probably more clearly understood. Essentially, candidates needed to acknowledge that the success of ‘Collections’ was due to the development of a high-quality product range. In order for the company to keep its place in the market it had to innovate. As photography, for example, was rapidly changing so it influenced the nature of storage and handling systems. It was, therefore, necessary for ‘Collections’ to continue monitoring developments in respect of its own products and improve them as appropriate.

1(c)(ii) The second objective was *remaining competitive* and candidates readily accepted that the survival of 'Collections' depended upon it. However, the explanations tended to be rather limited in scope and did not fully discuss what competitive meant and what survival depended upon. Most responses were good enough for 2 marks but 4 marks needed the recognition that being competitive was not just a matter of price but also of quality, consumer choice, delivery, and sales methods. A lot of candidates took the view that being competitive meant having the lowest price without appreciating that 'Collections' could charge higher prices without loss of market share because of the quality of its product range.

1(c)(iii) The third objective was to be identified by the candidates and the task expressly excluded profit. Candidates had a reasonable choice and mostly they chose either *market penetration* or *satisfying customer demand*. These were appropriate (and they could also have offered growth or improving sales revenue) but many responses were weak because of the lack of context.

Task 2

2(a)(i) Candidates were asked to explain the meaning of a *quality circle*. The task was generally well answered. There was a clear understanding that a group of employees, drawn from both production and sales areas, met to consider and recommend solutions to problems with some aspect of the company's operation.

2(a)(ii) This task asked candidates to suggest one benefit of a quality circle to the employees**.** A lot of candidates adopted the wrong focus by suggesting better production and more profit but these were essentially to the benefit of the company. What was looked for was the recognition that the employees appreciated being able to participate in problem solving and using their knowledge and expertise. The experience made them feel valued.

2(b)(i) **Task 2(b)** considered the role of the *non-executive director*. Unfortunately few candidates were able to offer knowledgeable responses to this and the following task. In previous examination papers it has been the case that the role, duties and powers of directors were not well understood despite their inclusion in the syllabus. Many responses talked of a lesser or an assistant director. Candidates needed to state that a non-executive director was not employed by 'Collections' and as such, therefore, had no day-to-day involvement in the company. Another important point to have considered was that a non-executive director could be invited to join the Board because of expertise or the representation of a stakeholder e.g. the company's banker, shareholders, or company pension fund.

2(b)(ii) A benefit to 'Collections' of appointing non-executive directors was asked for and, like its predecessor, this task was not well answered. Clearly if many did not know what a non-executive director was then they would not recognise any benefit in appointing one. Candidates were required to point out that not being directly involved in the company, it could be argued that the non-executive director was more likely to be independent and offer unbiased advice. It could also have been argued that the non-executive director could act as a brake on dominant executive directors or at least encourage the Board to rethink its position.

2(c)(i) According to the case study, the structure of the company had become flat and, as a result, was more efficient. **Task 2(c)** asked candidates to describe how three specific factors or features had improved the efficiency of 'Collections'. Each feature was worth up to 4 marks. *Overall this was not a successful task simply because most responses ignored the essential contextual issue of the flat structure.*

The first feature was the *coordination of resources*. It was felt that the hierarchical structure of 'Collections' created difficulties in delegating decision-making and the new approach reduced the time spent on the process of communication and the coordination of resources. The flat structure was based on having only a few layers of hierarchy plus the team-working – all of which ensured good communication and better control of resources and so helped the company become more efficient.

2(c)(ii) The second feature was the *span of control*. A mark was given for the explanation that the span reflected the number of subordinates under the direction of one manager or Supervisor. In 'Collections', the flat structure meant a wide span of control and so, hopefully, better communications. Many candidates suggested the span would become narrow, which is incorrect in this instance because it is a feature of a tall structure. As each manager or Supervisor had a larger number of staff to look after, it was essential to delegate effectively which entailed involving staff in the business. The key to efficiency was clearly the effectiveness of management in dealing with a wider span of control.

2(c)(iii) The final feature was the *chain of command*. Generally a mark was awarded for identifying that it was the vertical line of authority within 'Collections' along which communications were passed. The flat structure had removed layers of hierarchy and thus made the chain of command more effective and positive.

Task 3

3(a) The company relied extensively on computer technology. Candidates were asked to suggest two ways, *except on-line sales because It was rather too obvious*, how computers were likely to be used in 'Collections'. This was not a difficult task. Each computer activity was worth up to 4 marks which meant that some explanation or description was necessary. Candidates could select from, for example, transactions with suppliers, financial records, payroll, personnel records, stock control, and communications. Some candidates offered advertising and this was accepted since the website was used to alert would-be customers of the products available. A few included the activity of on-line selling despite the fact that the task expressly excluded it.

3(b)(i) The people working for 'Collections' were employed under different contracts and candidates were asked to describe two of them. The first of these was *permanent part-time staff*. Far too many responses informed the Examiner that this meant part-time staff who were permanent and working less than 40 hours weekly! What was required here was the understanding that to be permanent, a part-time employee had to be employed on the basis of continuity and to form part of the regular core of 'Collections' staff. Clearly the part-timer worked markedly fewer hours than a full-timer. Part-time work occurred because of two reasons: either the job did not demand a full-time employee or the job-occupier preferred it.

3(b)(ii) The second employment contract was that of *casual staff* and it was clear that few candidates really knew what this meant. The case study said that, *'there are peak periods of demand when the permanent staff are supplemented by casual staff'*. In other words, the company employed people just for a rush period in order to meet their deadlines. 'Casuals' were also used when permanent staff were away through illness and holiday. They did not enjoy any of the benefits of the permanent staff and were probably paid on a daily basis for short and uncertain periods of time. Casual staff were sometimes confused with part-time employees.

3(c)(i) This familiar task asked candidates to consider three *expectations* that the employees might reasonably have of their employers i.e. 'Collections'. Each expectation was worth up to 4 marks. The first was *financial and non-financial incentives*. Candidates needed to indicate that an incentive was a reward or an inducement to encourage staff loyalty and/or better performance and that it could be either an individual or a group scheme. Examples of incentives included bonuses, commission, pension scheme, productivity agreement, medical insurance, subsidised membership of a sports club, and profit sharing. Many responses suggested wages and salaries but employees of 'Collections' expected incentives in addition to their pay as a recognition for effort. Overall, candidates understood this expectation and gave firm explanations earning 3 or 4 marks.

3(c)(ii) The second expectation was *suitable training and retraining opportunities*. This task was well understood by most and 3 or 4 marks were readily awarded. The only weakness was the lack of context. Employees were expected to be computer literate and that the company sold its products on-line. The contextual clue was, therefore, accessible in the case study. However, most candidates recognised that employees would require in-house training and retraining in respect of their areas of work e.g. call-centre, accounts. Equally, employees would need training when new systems and/or equipment were installed. Some new staff would need re-training to bring them up to the standard required by 'Collections'. Importantly, training provisions would develop the commitment and skills of the employees.

3(c)(iii) The final expectation to be considered was the *channels of communication and negotiation*. The responses to this task were, in the main, often vague or they concentrated on the main communications channel between employees and management. The task certainly called for an acknowledgement that some form of channel for feedback, complaints, negotiation or consultation was required for individuals, groups or the whole work-force. Generally this point was offered by candidates but few suggested that the communications process could encourage employees if they had ready access to management. Not many candidates referred to staff representation and the negotiation aspect of the expectation was about the availability of a trade union, an employees' association, some other staff representation or even quality circles. There were scripts which interpreted this task as the communication link with customers.

Task 4

4(a)(i) Every company is affected by external factors that influence its business activity. Candidates were asked to explain how 'Collections' might be influenced by changes in three PEST or external factors: two were identified in the examination papers and candidates were expected to choose the third. Each factor could earn up to 4 marks. The first external factor was *consumer preference*. Most candidates understood the general idea of consumer preference but few mentioned that it was dictated by such activities as advertising, price, quality, sales and delivery terms. Better responses recognised that it was largely influenced by disposable income which affected the exercise of choice. Essentially, 'Collections' had to ensure that it had the right image and marketing mix to encourage consumers to choose their products. Weakness in these areas would mean consumer preference being exercised in favour of competitors.

4(a)(ii) The second factor was *disposable income.* Most candidates understood this factor although there were those who confused it with the company's income. The definition was easy enough and responses identified it as the income left after the payment of taxation, health insurance, domestic and travel costs. Candidates needed to point out that it was the amount of money available to an individual which is not attached and can therefore be spent on luxury items e.g. a photographic storage system sold by 'Collections'. Some good answers focused on the trade cycle explaining that a recession would reduce disposable income and possibly 'Collections' would trade at a loss as a result with profit being made in boom times. Reference was also made to disposable income being affected by taxation and costs generally. The responses to this task could have been better; they did not always demonstrate a firm knowledge of disposable income.

4(a)(iii) The *third relevant factor* was left to individual choice. Candidates had a reasonable choice but they needed to offer some context. Choices were available from competition, business and/or fiscal legislation, exchange rates, interest rates, and the level of employment. The favoured choice of most candidates was competition which was dealt with reasonably competently but not always in context.

4(b) This task ought to have been relatively easy for candidates but very few were able to score well. *The company was considering relocating its Swedish call centre to India.* Candidates were asked to suggest and describe two benefits to 'Collections' of such a move. Each benefit could earn up to 4 marks. The responses were largely limited but the major problem was that many candidates did not seem to appreciate that it was the *call centre* that was being relocated. So many responses talked of better production and access to a new market and missed the obvious reasons for the relocation. It ought to have been recognised that many western companies have moved, or are thinking of moving, their call centres to India. The main clue given in the case study was *cost* and this should have been pursued with reference to lower personnel, occupancy, training, and general operational costs. The other obvious point was the availability of suitably trained and skilled labour. India has a large availability highly educated and trained personnel especially in the computer field. The likelihood of preferential business taxes and/or investment allowances and grants was mostly ignored.

5(a)(i) Task 5 turned attention towards the marketing objectives of 'Collections'. The first objective to consider was the achievement and maintenance of a targeted market share. Candidates did not seem to cope well with this task and offered very general and sometimes vague explanations. The main point which was sought was that calculating and targeting market share indicated to 'Collections' where it stood in relation to the market as a whole. Further, targeting represented a deliberate 'attack' on the market in an effort to achieve a certain degree of penetration. Market share could be measured by units sold or by value (turnover).

5(a)(ii) The second marketing objective was *the establishment of the image of the products and the company.* The whole idea of image was clearly understood but what was largely missing in responses was the means of establishing it. 'Collections' had to employ appropriate methods to boost the awareness of its 'brand', particularly the use of the marketing mix to encourage customers' attention and sales. For 'Collections, image was regarded in terms of quality, value for money, and reliability.

5(b)(i) Candidates were asked to explain the meaning of *the break-even point.* This was a task readily understood by every candidate. Generally break-even was explained as the point at which total revenue equalled total costs i.e. the point at which 'Collections' would move into profit. The full 2 marks were also awarded for the formula i.e. *break-even = fixed costs ÷ contribution per unit*, and a significant number of candidates offered it.

5(b)(ii) Following on from the break-even point, candidates were then asked to explain *the margin of safety.* This task was not well answered which was surprising since if candidates understood break-even then surely they must have understood the margin of safety, which is closely related to it. The margin of safety represents the amount i.e. margin, by which demand can fall before it reaches the break-even point and threatens to incur loss for 'Collections'. The formula was only used by a small segment of candidates: *demand - break-even = margin of safety.* Some candidates suggested it had something to do with health and safety.

5(c)(i) This task was largely unsuccessful. Candidates were required to explain the importance to 'Collections' of *a customer service policy.* The issue here was the importance of the policy and very few candidates referred to the customer as the company's main resource and how essential it was to develop customer loyalty and further business. Customer service dealt with a customer's experience of dealing with 'Collections' and included how the employees behaved towards customers e.g. manners, speech, and how well they were trained. Many candidates did not appreciate the difference between this and the following task. As a result the features of the customer service policy were included here and then repeated below.

5(c)(ii) Candidates were asked to *list four likely features of the company's customer service policy.* The key word here was *list:* candidates had only to select four appropriate features and then list them: no explanation was necessary. The clues were obvious in the case study and the selection could be made from e.g. offering refunds, offering replacements, handling complaints, customer friendly enquiry and sales facility, and courtesy, and product advice. Very few candidates failed to earn 4 marks for this task.

BUSINESS ADVANCED LEVEL

Paper 8929/5172

Effective Business Communication

General comments

There was a good level of knowledge demonstrated in this session. It was also encouraging that some of the tasks had better developed answers than in previous sessions, and demonstrated more in-depth knowledge. However, there were still only a few excellent scripts.

There remains some concern amongst the examining team that candidates often read only part of the task, and as a result are unable to achieve the marks available. Also candidates appear to be 'guessing' what the requirements of a task will be, instead of reading the task carefully and answering the task which has been set. It is evident from some of the scripts that, having reviewed past papers as part of their examination preparation, candidates have seen a task which looks similar to one in a past paper and have assumed that it is the same. This is very unlikely.

Some candidates are basing their answers on memorised learning. This practice should be discouraged as the tasks do change and vary from session to session and are never identical. Even if a scenario or a task is similar or familiar, the actual tasks in the new paper will have a different emphasis or will cover a different aspect of the syllabus. Furthermore, if candidates fail to answer the task as it is given in the paper, then examiners are not able to award the marks available in the mark scheme.

There is evidence that some Centres encourage their candidate to read through the task to the end and then to read it again, but this time to underline in pencil the important words or commands on the question paper. This is to be encouraged. In this way the candidate does not rush to 'guess' the task. Once the candidate has written their answer, they can check it against the words which were underlined to see if they have indeed answered the task which was set and not one which they have guessed at. This also shows the importance of good time keeping as an examination technique, in that it allows the candidate enough time to quickly check what they have written.

Despite efforts to encourage greater expansion of answers to tasks, there still appeared to be a significant number of candidates who insist on answering in bullet point format, and by doing so limit the possibility of showing the breadth of knowledge and understanding they may have. The excessive use of bullet points also minimises their chances of achieving high marks in the exam. The answers given in the mark scheme and in this report are often given as bulltet points to make the information clear and simple, but candidates must develop these points to gain higher marks. Higher level marks can only be awarded for work which shows development and understanding of the topic, and which incorporates the case study scenario into the answer.

Time management continues to be an issue and candidates run out of time during **Task 5**, with examiners often finding the task incomplete. Centres must encourage these candidates to improve their examination technique, as the candidates are losing valuable marks by mismanaging their time. At this level answers are expected to contain appropriate content and development based on the case study. Vague answers or lists of bullet points can only be awarded low marks. Candidates should practice working with past papers as a way of managing their time more effectively.

Presentation was of a variable standard, with some candidates really making an effort to present materials in a well structured and meaningful way, and others paying little attention to presentation detail. It is important that scripts are clearly written and that the responses to tasks are easily identified by the Examiner. Answers to a task which are spread among different pages are difficult for the Examiner to mark, and there is a risk that a part mark may be missed. It also makes it very difficult for the candidate to check their own work before handing in the script. As a business communications paper, presentation is and will always be essential and candidates should be mindful of this when writing their papers.

Comments on specific tasks

Section A

Task 1

(a) This task asked for four consequences of poor communication in the context of the case study. However, the examining team found that candidates based their answers in general terms and did not apply them to the case study, which referred to redundancies. Answers should have focused on the following:

- The process of communication and the message sent are devalued and deemed as meaningless
- The sender may need to follow up the message to confirm understanding
- The receiver may be so annoyed that he/she misinterprets the message and reads something into it that is not there
- Poor or low morale
- The medium may have been inappropriate and off-putting
- The time taken to resolve the problem creates further problems in future communications
- Barriers to communication arise that are difficult to remove

(b) The second part of **Task 1**, asked candidates to explain the best way to communicate the redundancies; that is, how to tell people about the job losses. Sadly candidates were unable to apply the context of this task and largely identified written notices to end the employment. This was incorrect and in particular the focus should have been on two-way communication, but also with letters and memos outlining the way forward, perhaps with terms and conditions, or various arrangements. Candidates at this level should be able to differentiate between and identify the most appropriate types of communication for different situations and this was, therefore, disappointing.

(c) The final part of the task asked candidates to explain the characteristics of verbal and non-verbal communication in such a difficult and sensitive situation. Very few candidates were able to identify appropriate answers and tended to focus on an explanation of verbal and non-verbal communication, only.

Task 2

(a) The first part of the task asked for candidates to send a letter to arrange a meeting with other business leaders to set up the Job Search website. In essence, this task was answered quite well, although candidates do appear to muddle up their salutations at times. Some candidates failed to close the letter satisfactorily with a call to action. However, answers were generally good and the content of the letters was relatively well developed.

(b) The next task asked for three reasons for using the Internet as a way of supporting miners who were made redundant. This task was very well answered, and candidates clearly understood the relative benefits of using the Internet in such situations by including answers such as global access, 24/7 access, speed of access and volume of information, to name but a few. All in all, quite pleasing.

(c) The final part of the task focused on asking what is meant by the Intranet and providing one benefit of the Intranet. Again this was relatively well answered, although some candidates did struggle, and it was felt that this varied according to Centre and candidate experience.

Task 3

(a) Candidates were asked in this part of the task to consider four common causes of conflict that arise when working in groups.

Some candidates seemed to write about problems which might cause conflict rather than the conflict itself. In general, the understanding was vague and answers were insufficiently developed.

Answers could have included the following:

- Disagreement about objectives of the group
- Different responsibilities
- Different priorities
- Inappropriate or poor communication
- Different ideologies
- Different beliefs
- Different culture

(b) This task was really well answered, and the marking team generally felt encouraged by the ability of many candidates to demonstrate their understanding and application of agendas and meetings.

(c) In terms of this particular task, candidates faired quite well and were able to distinguish between the roles of a chair person and the meeting secretary. There were no real issues here, and candidates scored very highly.

Task 4

(a) This task asked candidates to outline an employment interview. Very few candidates did this and tended to focus on general interviews. The task asked specifically about employment interviews and about how to assess the level of interest in potential employees and also ensuring that the right person is selected for the right job. The responses were generally disappointing.

(b) Candidates were asked to prepare for an employment interview. This is a standard type of task and candidates often get parts of it right, but very few really score highly. Candidates tend to focus too much on the pre-interview stages and just the interview itself, and fail to discuss what happens during and after the interview. Clearly the knowledge of the subject is there, but the ability to develop it and use it effectively is quite limited. It is also important that candidate realise yet again that a list of bullet points is not sufficient. There must be some expansion of the points.

The Examiners are aware that for many candidates English is not their first language and that confidence in spelling and grammar is not always strong. However, candidates who demonstrate that they can respond to the brief effectively by showing that they understand what should be mentioned, by using key words or phrases, will have marks awarded for their response even if the use of English is weak. It is important that candidates understand that in terms of business communication, they would rarely be asked by a manager or a colleague to produce a list of bullet points. This is not the first time these points have been expressed, and it is important that candidate observe them carefully. Bullet points do not score high marks.

(c) The final part of the task asked candidates to identify three different types of questions that Lee could use in an employment interview. In particular the Examiners were looking for leading questions, hypothetical questions, open and closed questions. Candidates were asked to identify, explain and provide an example of each. Whilst candidates generally did well, examples of tasks were often quite week and muddled and therefore the marking team was unable to give credit. It is suggested that more focus on developing suitable examples is given. Again, it should be stressed that candidates who show, by writing key words or phrases in their response, that they know how the different types of questions should be asked, are able to attract marks even if their use of English is limited.

Task 5

(a) This task asked candidates to explain why it is important to use graphic information to aid presentations, particularly in the context of redundancies. Candidate did not answer particularly well and appeared to misunderstand what was being asked of them. Many described specific graphical forms but did not attempt in any way to apply them to the situation. Again, this is a case of candidates rushing answers and not reading them through properly.

(b) Candidates were asked to explain the difference between a flat and hierarchical organisational structure. Many of the candidates were quite familiar with this area of the syllabus and were able to identify issues around the chain of command and how organisation charts can help understand such issues. However, they were less confident in distinguishing between flat and hierarchical structures.

(c) Finally, candidates were asked to identify four different software packages that could be used to make the 'Job Search' website more attractive. This was quite a specific task. Unfortunately candidates did not read the task and appeared to list photography only, and rarely identified specific packages. The examining team were looking for examples of:

- Flash
- Power Point
- Multi-media packages
- Video packages
- Desktop publisher
- Dream Weaver

BUSINESS ADVANCED LEVEL

Paper 8929/5173

Business Finance

General comments

Overall the performance of the candidates who sat the October 2007 examination was similar to that seen in previous examination sittings. However, it was noticeable that there were a number of very weak Centres where few candidates achieved a pass, and a number of very good Centres where nearly all of the candidates achieved at least a pass mark. Centres are recommended to use all available materials to ensure that their candidates are well prepared for the examination.

Centres and candidates are once more reminded of the need to provide a formula when undertaking tasks that require a calculation as a failure to do so can result in the loss of marks should the solution prove to be incorrect. Also Centres and candidates are reminded of the need for precision when defining terms, as vague responses will only attract low marks.

Comments on specific tasks

Task 1

Generally the answers provided for the **tasks (a)** to **(e)** were satisfactory with many candidates achieving awards well above the pass mark for this task.

The answers to **part (a)** were quite strong with most candidates able to provide reasoned explanations as to why a business might consider locating overseas.

The answers to the **parts (b)** to **(e)** were again focused and as a result candidates scored reasonable marks.

Task 2

Overall the responses to this task were encouraging, with the majority of the candidates able to explain how the PEST factors were likely to affect the business and how these factors could influence costs/revenues/ profits.

Task 3

Surprisingly the marks for this task were rather patchy.

The answers to **part (a)** were either very good, with full marks being awarded or they were very poor with responses that demonstrated limited knowledge of how to calculate the profit levels for the project. In a majority of cases the candidates failed to provide either a formula or an explanation with their workings and as a result they were not given credit for their efforts.

The answers provided for **part (b)** were disappointing with many candidates showing no knowledge of how to calculate payback periods. Centres are urged to address this knowledge gap as a matter of urgency.

Task 4

Overall the responses to this task were rather weak with candidates producing vague answers to all parts of the task. The answers provided for **part (c)** were particularly disappointing with very few candidates able to identify the likely adjustments to the final statements. Even where the candidates had identified the likely adjustments, the explanations of these were often rather vague.

Task 5

The answers provided by the majority of candidates were encouraging with a majority of candidates scoring marks well above the level required to achieve a pass.

It is pleasing to see that the majority of Centres are approaching this topic area diligently and as consequently their candidates are achieving sound results.

Task 6

Overall the responses to this task were satisfactory. The answers given to **parts (a)** and **(b)** were generally sound with many candidates scoring high marks. The answers provide for **part (c)** were weaker with only a minority of the candidates being able to explain how the alternative methods of selling shares operated.

Task 7

The answers provided for this task were very disappointing with only a minority of candidates demonstrating the ability to calculate the variances. Again this would seem to illustrate that there is a knowledge gap for most candidates and Centres are urged to address this issue as a matter of some urgency. Centres are also urged to recommend to their candidates that they always provide a formula and an explanation of how they intend to complete their calculation as a failure to do so is likely to lead to them losing marks.

BUSINESS ADVANCED LEVEL

Paper 8929/5174

Marketing

General comments

It is pleasing to report that some Centres achieved very good marks for this paper this session. Good candidates demonstrated knowledge of the syllabus well, and were able to identify the relevant concepts required by each task. They also applied these concepts to the Dreamland Hong Kong theme park situation in the case study.

However, there were unfortunately still a number of weak candidates with low marks and Centres should note the points that follow as there are some common reasons for candidate failure or low grades.

- Many candidates know the basics of the syllabus, but do not or cannot apply the relevant concepts to the case study scenario. These candidates tend to waste time by writing all that they know about a particular topic, and without any attempt to make it relevant to the wording of the task.
- In some cases it was difficult to allocate marks as candidates did not follow the instructions on the Question Paper in that each task should be started on a new page. Some candidates did not indicate where they finished one part of a task and moved on to the next part. For example, **Task 1** had three parts; **(a)**, **(b)** and **(c)**, but some candidates did not label their answers for each part and, therefore, examiners had difficulty in finding and marking the relevant response to each part. Candidates who do not clearly identify their answers can also sometimes get confused themselves and will repeat an answer. Marks are only allocated to a point once. Candidates should understand that each task, and part task, tests a different area of the syllabus and so a different answer is expected.

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

Comments on specific questions

Task 1

(a) Most candidates had no problem defining the marketing concept.

(b) In many cases this part of **Task 1** was not fully covered. Many candidates identified reasons why marketing was important, but relatively few linked these to specific examples for Dreamland as required by the task. Available marks were therefore limited.

(c) Answers to this part of the task were variable in the depth they achieved. Strong candidates were able to explain customer orientation without overlap with part **(b)**. Some candidates answered with a description of customer care which was not required.

Task 2

(a) Generally this part of the task was done very well and most candidates were able to define the term ‘marketing research’.

(b) Although some candidates were able to give five relevant reasons why marketing research might be useful to Dreamland, some candidates answered with the five stages of the marketing research process. It is vital that candidates read the tasks very carefully. Teachers/tutors can help candidates develop the skill of reading/analysing the requirements of the task carefully by discussing past paper tasks during teaching sessions and as preparation for the examination.

Task 3

(a) Many candidates were able to identify and explain the five stages of the consumer buying decision making process. This part of the task was answered very well.

(b) Some candidates answered this part of the task well, identifying good reasons why Dreamland should understand buying behaviour in developing new rides for the parks or new markets to target. Unfortunately some candidates were not able to generate reasons nor link them to the case study. Once again 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 generally done well, although not all candidates recognised both internal and external elements of the audit, and so marks were lost.

(b) This part of the task was generally done well and most candidates are now able to explain what a SMART objective is.

(c) This section of the task was generally not done as well. Candidates at this level are expected to recognise the difference between strategy and tactics and be able to identify two strategic models. The two models sought were Ansoff's model for determining Growth Strategy and Porter's model of 3 generic options for Competitive Strategy. It was pleasing to see some candidates do very well in this part of the task as it has not been examined in depth before. However, teachers should ensure that the whole syllabus is covered in teaching sessions to give candidates a chance of answering all tasks.

Task 5

Some candidates put forward very good 7P marketing mixes in this task. They recognised the significance of the fact that the theme park was in the introductory stage of the life cycle (first 6 months) and the impact of this on the make-up of the mix.

Unfortunately other candidates merely explained the 7Ps very generally without linking them to Dreamland's situation or the fact that it was in the first 6 months of operation. Candidates should again be reminded to read tasks carefully and to link their answer to the case study if required to by the task. Explanations and responses that are suitably linked to the case study are more likely to be awarded full marks.

BUSINESS ADVANCED LEVEL

Paper 8928/5175

Human Resource Management

General comments

It is extremely pleasing to see that almost all candidates were able to attempt all of the tasks set. Equally pleasing is the decline of the use of lists. This paper requires explanations and descriptions which cannot be achieved by the use of lists. Some answers to the tasks were extremely detailed and showed a considerable knowledge of the topic concerned. Centres are to be congratulated for bringing about this improvement in candidates' responses.

Areas that still require improvement are the candidates' failure to read some tasks carefully. Responses to **Task 3(a)** provided examples of candidates' failure to read the task properly.

Assessment Objective 1, as given in the syllabus, is still causing the majority of candidates a great deal of trouble, with only a few able to distinguish between the meaning and purpose of HRM, and the strategic and operational aspects of HRM. In contrast, assessment objective 4 appears to be over-taught with many candidates providing extremely detailed accounts of a wide range of methods used to monitor or measure performance. Such detail is not always required and can be burdensome to the candidate.

Comments on specific tasks

Task 1

This task shows that candidates find this assessment objective extremely difficult to understand and apply. There is still confusion over the difference between the meaning and purpose of HRM and between the operational and strategic aspects of HRM.

(a) A large number of candidates did not understand the meaning of HRM and simply quoted extracts from the case study. A smaller number were able to quote the meaning but then failed to answer the task. Only the very best candidates were able to link the meaning to the situation in the case study and therefore answer the task set.

(b) A large number of candidates were able to quote some aspect of the strategic purpose but then failed to link this to the case study. Too many candidates believe that HRM is only concerned with recruitment and training and whilst these might be processes used to achieve objectives they were not the details required to answer this part of the task.

Task 2

Candidates clearly understand the assessment objective linked to this task but unfortunately many failed to read the task correctly and produced an answer that was broadly related to the topic but was not specific enough to gain the higher marks.

(a) Many candidates read this task as "produce a training plan". Others merely described different types of training and did not link these to the task. Reading the task fully and answering the whole task is extremely important. Within the case study there were many helpful hints such as "training never ends", "the need for new skills" and the concept of lifelong learning.

(b) This task was generally answered in great detail by the majority of candidates but few managed to move away from a non-technical explanation and begin to discuss the legal implications and the reactions of other companies. Many candidates discussed the implications for individual workers rather than the company.

Task 3

Assessment objective 3 is clearly understood by all candidates. The answers to this task were very detailed and displayed a great deal of background knowledge, although a few problems exist with answering the task set.

(a) Candidates preferred to explain the contracts that Leena had issued in great detail. Other candidates then added what Nimesh had done. The crux of the task, which was a discussion of the differences between the two, was often left to interpretation (meaning that the examiner was expected to guess what the candidate meant) rather than an explicit explanation. For many, given their knowledge in this area, the explanation of the differences would have produced the top marks.

(b) Candidates are very comfortable with recruitment and selection and all but a few recognise the difference between the two. Some of the explanations of each stage could have been fuller and some candidates do not appear to understand why each of these stages is necessary. On the whole this was one of the better answered tasks on this paper.

Task 4

This task highlighted the fact that many candidates, although they may have a very detailed knowledge of the subject matter, do not know how to apply their knowledge. The result is that they do not answer the task properly and simply write everything they know about the topic area.

(a) The better candidates used their knowledge and referred back to the case study quoting “flexitime” and “working from home”. Too many candidates simply explained all of the working patterns and structures known to them, even though STP had not used any of the structures given in the scripts.

(b) Candidates produced very detailed accounts of how safety and consultation committees operate and what a bulletin board and newsletter are. Once again the main part of the task, why these committees were being set up, was ignored by all but the best candidates.

Task 5

Some of the answers to this task were short and rushed. This would indicate that some candidates did not manage their time well and had begun to run short of time towards the end of the examination. This produced shorter answers and in many cases candidates resorted to lists in order to provide as much information as possible. It was evident that the knowledge base is good and so better time management may be the solution.

(a) Confusion between competence criteria 5.2 and 5.1 exists and many candidates provided inappropriate answers using their knowledge of 5.1. There were some excellent answers to this task with candidates explaining in detail the effects of the market, regional variations and the bargaining strength of the workers as just some of the factors.

(b) Candidates clearly understand what fringe benefits are and were able to explain them in detail. Many understood that they were a means of motivating workers but almost all candidates failed to explain why Leena might use them. The link to the case study was very weak in a large number of scripts, with candidates preferring to answer the task in an abstract form. Full marks are usually only awarded to responses which not only demonstrate understanding of the topic, but also demonstrate an ability to apply that knowledge to the case study.

BUSINESS ADVANCED LEVEL AND OFFICE ADMINISTRATION ADVANCED LEVEL

Paper 8929/5176

Interpersonal Business Skills

General comments

The quality of the assignments submitted reflected the ‘Advanced level’ of this module. Teacher and candidate commitment was apparent and a number of higher grades were awarded throughout the year.

The layout and presentation of work was very good and the evidence of competence and knowledge of the objectives was obvious.

Candidates made good use of reference sources. A discussion on how these fitted in with the research undertaken and the assignment content was apparent.

Specific Comments

Some weaknesses in candidates’ assignments were identified as follows.

- ‘Assertiveness’ was mentioned by most candidates but the definition of this objective and how the concept was applied to the research undertaken, was weak.
- Poor evidence that a presentation had been made to the Reference Group.
- Other weaknesses - No notes or a list of materials used for the presentation available, roles of participants not listed and no evidence that a group meeting had taken place.

BUSINESS ADVANCED LEVEL

Paper 8929/5177

Business Start-up

General comments

The assignments, which usually included a report and business plan, were generally of very good quality and demonstrated a commitment and keenness on the part of teachers and candidates alike.

Submitted assignments were well presented and most had a good layout.

Reference sources were included and set out in an acceptable way as part of the total project. Some candidates chose to include references and quotations within the text of their work. Others commented on the reference material and its appropriateness in their research. Either approach is acceptable.

The majority of assignments submitted were of good quality set out in a business-like style and well presented for marking. As with other modules, the use of graphics was helpful in describing the research carried out and gave a clear indication of the results obtained.

Reference sources appeared in two forms, either as an appendix entitled 'bibliography' or quoted in the text of the assignment. In the latter case, where the candidates discussed the usefulness and appropriateness of reference sources, this would usually lead to a higher grade.

Centres should always refer to the syllabus for the year of examination when planning courses and helping candidates to prepare their assignments prior to submission. Centres are encouraged to use the most recent version of the syllabus since earlier editions may not include changes which have been made to the mode of assessment or content.

The Principal Examiner strongly recommends the use of Assignment Cover Sheets, as they have benefits for the candidate, the teacher and the Examiner. Assignments from Centres using the cover sheets are usually more successful.

The Assignment Cover Sheet for Candidates has been developed to help teachers and their candidates to review assignments **before** they are submitted for assessment by a CIE Examiner. Teachers and candidates should refer to the Assessment Guidelines before completing these forms or submitting assignments. A Student Assessment Record (SAR) should still be completed and submitted with the assignment.

There should be regular review sessions between teachers and candidates – the cover sheet can help with this process.

The Assignment Cover Sheet can be used:

- By the teacher to alert candidates to what they should include in their assignments
- By the teacher as a **checklist** of tasks and **competence criteria** which must be evidenced in an assignment to meet the pass criteria
- By the candidate to identify what tasks they will need to undertake and how the assignment should be presented
- By the candidate to check that the work they are about to submit contains all the relevant tasks and competence criteria
- By both the candidate and the teacher to **identify gaps**, missing competence criteria or insufficient coverage of tasks before work is officially submitted i.e. to check that all the relevant module requirements are being met

- By both the candidate and the teacher to develop an **action plan** to remedy any problems which have been identified

- As a record to show coverage of the competence criteria within the assignment i.e. page numbers and comments

- As a final check before submission of the SAR

- As an aid to the Examiner when marking the assignments, through a clear indication of coverage and content

Centres should only submit candidates' work if they feel it meets all of the requirements of the scheme and is complete. SAR sheets must be fully completed and signed by the teacher before submitting work to be examined. Care must be taken in completing the list of names of candidates being put forward, together with their assignments.

Specific Comments

Some candidates were not successful and demonstrated the following weaknesses:

- Student Assessment Record (SAR) sheets had not been completed and attached to the candidates' work. This is a requirement of the scheme and where this happens the candidates' work is returned to the Centre.

- Use of the Assignment Cover sheets would have been helpful. These enable the teacher, candidate and Examiner to check that the submitted work is complete.

- Other weakness included incomplete contents pages within the assignments and a failure to include a candidate self-evaluation section in the report.

BUSINESS ADVANCED LEVEL AND OFFICE ADMINISTRATION ADVANCED LEVEL

Paper 8929/5178

Customer Care

General comments

The majority of assignments submitted were of good quality and were set out in a business-like style and well presented for marking. The use of graphics was helpful in describing the research carried out and gave a clear indication of the results obtained.

Reference sources appeared in two forms, either as an appendix item entitled 'bibliography' or quoted in the text of the assignment. In the latter case, where the candidate discussed the usefulness and appropriateness of reference sources, this usually led to a higher grade.

Centres should always refer to the syllabus for the year of examination when planning courses and helping candidates to prepare their assignments prior to submission. Centres are encouraged to use the most recent version of the syllabus since earlier editions may not include changes which have been made to the mode of assessment or content.

The Principal Examiner strongly recommends the use of Assignment Cover Sheets, as they have benefits for the candidate, teacher and Examiner. Assignments from Centres using the cover sheets are usually more successful.

The Assignment Cover Sheet for Candidates has been developed to help teachers and their candidates to review assignments **before** they are submitted for assessment by a CIE Examiner. Teachers and candidates should refer to the Assessment Guidelines before completing these forms or submitting assignments. A Student Assessment Record (SAR) should still be completed and submitted with the assignment.

There should be regular review sessions between teachers and candidates – the cover sheets can help with this process.

The Assignment Cover Sheets can be used:

- By the teacher to alert candidates to what they should include in their assignments
- By the teacher as a **checklist** of tasks and **competence criteria** which must be available in an assignment to meet the pass criteria
- By the candidate to identify what tasks they will need to undertake and how the assignment should be presented
- By the candidate to check that the work they are about to submit contains all the relevant tasks and competence criteria
- By both the candidate and the teacher to **identify gaps**, missing competence criteria or insufficient coverage of tasks before work is officially submitted i.e. to check that all the relevant module requirements are being met
- By both the candidate and the teacher to develop an **action plan** to remedy any problems which have been identified

- As a record to show coverage of the competence criteria within the assignment i.e. page numbers and comments

- As a final check before submission of the SAR

- As an aid to the Examiner when marking the assignments, through a clear indication of coverage and content

Centres should only submit candidates' work if they feel it meets all of the requirements of the scheme and is complete. SAR sheets must be fully completed and signed by the teacher before submitting work to be examined. Care must be taken in completing the list of names of candidates being put forward, together with their assignments.

<u>Specific Comments</u>

Some weaknesses included the following.

- No Student Assessment Record sheets (SAR) used. This is mandatory and all Centres are expected to attach these completed sheets to the candidates' work. Work is returned to Centres for this omission to be corrected.

- Some candidates have not demonstrated the competence criteria (objectives) fully in their assignments; this is an essential part of all modules and detailed guidance given in the module booklet should be followed. It is important to link these objectives and the research undertaken in the assignment. All objectives must be evidenced in the text of the assignments. These are listed in the syllabus booklet under 'Criteria for Assessment'.

- It is recommended that all candidates submit a completed Assignment Cover Sheet with their work. This provides the teacher, candidate and Examiner with evidence that the work is complete. Some candidates have submitted incomplete Assignment Cover Sheets while others included a numbering system that did not match up with the assignment page numbering. Candidates must ensure that the numbering given on the cover sheet, and on the contents page, matches the work in the assignment.

- Some reports were not submitted in a business-like format. It is essential that assignments are well presented and that reports follow basic standard business conventions. Good introductions and conclusions are to be encouraged. Contents pages which list page numbers help the candidate, teacher and Examiner.

- Two weaknesses often identified are the candidates' self evaluation and failure to quote reference sources in the text. However, it is acceptable for a reference source to be implied in the candidates' work, provided the assignment meets the other criteria.

- Other weaknesses included the following: no reference sources at all; no self-evaluation section; assignment not written in the 'first' person; serious errors in the text of the assignment.

BUSINESS ADVANCED LEVEL AND ICT ADVANCED LEVEL

Paper 5201

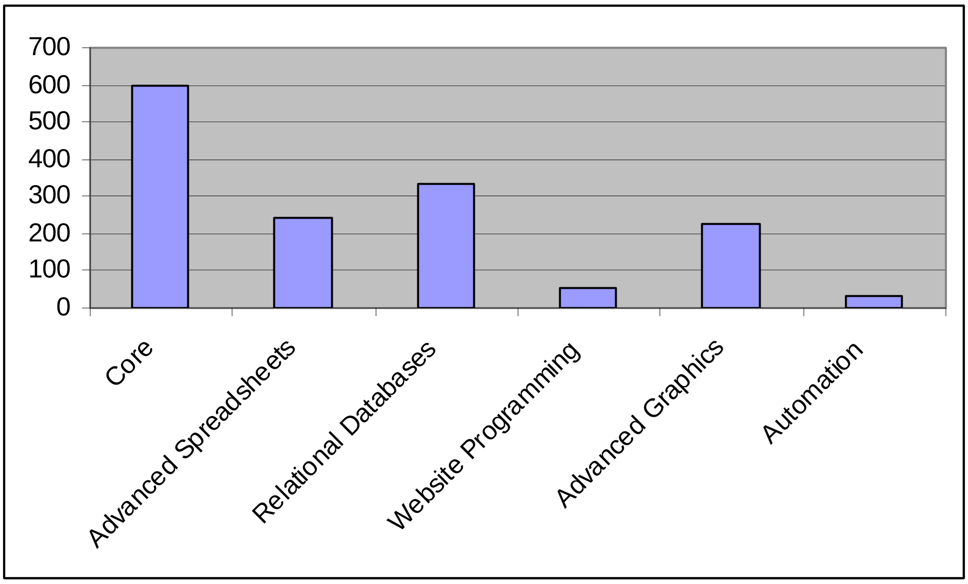
Communication, Data Management, Systems Management

General

The had 7509 English entries and 355 in Spanish. The total numbers of entries at each level in English were 1875 entries at Foundation Level, 4147 were at Standard Level and 1487 at Advanced Level. This indicates a 28% increase in Foundation entries, 4% increase in standard level entries and 36% increase in advanced entries. Spanish entries declined significantly from the previous year.

Advanced Level

This level comprised a core module and five enhancement modules.



There overall pass rate for these modules was very similar to last year's rate.

5201 Advanced Core

This module continues to be popular with a 53% increase in entries from last year. The most common errors were:

- The failure to submit all the required printouts, particularly the two different copies of the document production section. A significant number of candidates completed and printed the final version of the document but failed to submit the intermediate printout of their work.
- The failure to understand the generic terms serif, and sans-serif. Many candidates tried to locate these as font styles rather than understanding that fonts such as Times New Roman contain short strokes or serifs on each letter, and that sans-serif fonts are without these.
- Errors in searching and sorting the database extract (particularly in maintaining the data integrity).
- Errors in page layout with the failure to set margins or column widths as specified.
- The failure to resize the imported graphic or to text wrap around this graphic.
- Errors inserting new text into a numbered list and renumbering as specified in the question paper.

BUSINESS ADVANCED LEVEL AND OFFICE ADMINISTRATION ADVANCED LEVEL

Paper 8929/5247

Organising Meetings and Events

The candidates' overall performance was very good. Candidates were well prepared and correctly organised an event, as required. They produced reports detailing how they had organised their events and the documentation and methods of communication they had produced and used.

Centres are reminded that completed Student Assessment Records and Assignment Cover Sheets must be submitted with the candidates' work. These confirm that each Assignment is the candidate's own work and should indicate that work taken from another source is appropriately referenced and acknowledged. Assignment Cover Sheets have also been designed to enable candidates to check that their work is complete and has covered all the required competence criteria. Both documents should be completed and signed by candidates and teachers (pages 64 to 68 of the Advanced Syllabus refer).

COMMENTS ON THE WORK OF CANDIDATES

Most of the candidates produced reports that were legible and detailed. The documentation produced was of a high standard. Copies of letters, emails, agendas, notices of meetings, minutes etc. (where meetings were held as part of the organisation of the event), invitations, venue brochures, name cards, banners, notices and transcripts of face-to-face and telephone conversations were submitted.

The selection and use of effective monitoring aids such as checklists, diaries, work schedules, etc. as a means of effective and efficient event planning was fully described.

Many candidates included lengthy descriptions of the secretarial and chairpersons' roles and procedures and lists of meeting terminology. These are not required, but candidates were not penalised for including this in their assignments.