

BUSINESS STANDARD LEVEL

Paper 8928/5162
Effective Business Communication

Key messages

- There should be more attention to letter writing both in terms of business layout and in content.

General comments

The standard of responses to the tasks has improved this year. There were very few poor scripts with unanswered tasks. It is evident that most Centres are teaching to the syllabus. However, more attention should be given to letter writing both in terms of business layout and content. It is important to stress the importance of candidates stating the key message and then making sure that the letter provides adequate information for the recipients.

Comments on specific tasks

Task 1

Many candidates struggled with parts **(a)** and **(b)** of this task. Responses were vague, often saying the same thing in different ways.

- (b)** Candidates did not relate their answers to VFS and their stakeholders. Candidates need to think more about what is in the syllabus.
- (c)** Again this generally presented no difficulties with describing what an open and closed question is. However some candidates lost marks as they used employment questions as an example and not sales assistants as stated in the task.

Task 2

- (a)** Most candidates constructed the letter quite well and provided some of the detail from the case study. However, whilst there appears to be an improvement over previous papers, candidates still fail to put themselves in the position of the recipient.
- (b)** This was a straight forward task regarding the advantages and disadvantages of Skype. The majority of candidates gained marks from their answers although the advantages were far better answered than the disadvantages.
- (c)** This task was asking about security measures when using Skype and candidates were able to gain marks from this task.

Task 3

This was a straightforward task and only candidates who had not adequately prepared for the examination failed to earn the marks.

- (a)** Many candidates were able to give three good reasons as to why groups are formed in business organisations.
- (b)** Candidates had to suggest four factors which may affect a team. This task was better answered than in previous papers.

- (c) Many candidates listed human resources interviews e.g. the appraisal interview whereas the task was asking for types of business meetings.
- (d) A number of answers to this task did not relate to non-verbal and verbal communication which should be avoided. Candidates had not fully read the task.

Task 4

- (a) Candidates were able to identify four purposes of holding selection interviews.
- (b) Most candidates felt comfortable with this task relating to structured and non-structured interviews.
- (c) However the purposes of selection interviews and selection interview guidelines seemed to challenge candidates. Often answers were vague. Also candidates included the recruitment aspect which is not what was required in the task.

Task 5

- (a) The majority of candidates were able to gain marks from this task on organisation charts.
- (b) The task on flow charts is set in a specific context and many candidates failed to recognise this, giving instead very vague answers.
- (c) Candidates were able to explain two multi-media aids which would improve a presentation.
- (d) This task was straight forward for candidates to list six headings you would find in a formal report and was answered well.

BUSINESS STANDARD LEVEL

Paper 8928/5163
Business Finance

Key messages

- Candidates should be reminded that it is essential to read the rubric of the tasks carefully. If the task requires that an explanation is given then a simple definition of the terms cannot attract the higher order marks.
- Where the task asks for a judgement or recommendation it is essential that reasons are provided to justify the answer

General comments

Overall the performance of the candidates who sat the May 2013 examination appeared to be similar to that seen in previous examination sessions. The majority of candidates appear to have a sound knowledge of the subject and they appear to have the ability to apply this knowledge well to the tasks. There was clear evidence that the most candidates had managed their time well and had provided answers to all parts of all of the tasks.

However, Centres and candidates are once more reminded of the need to provide a formula when undertaking numerical tasks that require a calculation as a failure to do so can result in the loss of marks should their solution prove to be wrong. Candidates should also provide evidence of their workings as this will contribute to their overall marks.

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

Overall the majority of candidates scored reasonable marks showing that they were aware of the subject matter covered by the task. However, some candidates lost marks because they provided vague responses or they provided irrelevant answers.

The answers to part **(a) (i)** were good with most candidates providing a correct and complete definition of a patent.

The answers to part **(a) (ii)** were disappointing with many vague answers and weaker candidates tended repeat their answers to part **(a)**.

The answers to parts **(b)** were generally good with the majority of candidates taking information from the case study and using it to provide relevant advantages and disadvantages.

The answers to part **(c)** were good with the vast majority of candidates providing a sound explanation of variable cost with a relevant example.

The answers to part **(d)** were disappointing with only a minority of candidates being able to explain what is involved in discounted cash flow methods. Centres are urged to address this issue in the interests of future candidates.

The answers to part **(e) (i)** were patchy with many candidates recommending sources of financing that the company in the case study were already using rather than alternative sources.

The answers to part **(e) (ii)** were poor with very few candidates offering a sensible and relevant reason for choosing a particular source of financing.

Task 2

The answers to part **(a)** were very disappointing with only a minority of candidates producing a completely correct cash budget. However it was evident that the majority of candidates were aware of the method that should be employed to produce a budget statement. Centres may like to consider giving future candidates more experience of producing budget statements in order to ensure that they are better able to produce correct answers in the future.

The answers to part **(b)** were generally good with the majority of candidates being able to provide relevant, well explained advantages and disadvantages of holding large reserves of cash.

Task 3

Overall the responses to this task were disappointing with many candidates producing vague statements and explanations. Centres are urged to ensure that all future candidates can address any task that relates to the concept of accounting principles.

The answers to part **(a)** were patchy, with some good answers and some poor answers. The historic cost principle appeared to be well understood but many candidates struggled to provide a good explanation of prudence.

The answers to part **(b)** were generally good with many candidates able to provide at least three additional accounting principles.

The answers to part **(c)** rather weak with many vague explanations as to how the selected principles contributed to accuracy of the accounts.

Task 4

The answers to part **(a)** were reasonable with the vast majority of candidates being able to produce a format for a balance sheet even if they did not complete the balance sheet correctly.

The answers to parts **(b)** were rather disappointing with only a minority of candidates being able to explain what is meant by the balance sheet equation.

The answers to part **(c)** were good with many candidates scoring full marks.

Task 5

The answers to part **(a)** were generally good with most candidates showing that they understood the problems and benefits of operating as a sole trader.

The answers to part **(b)** were disappointing with many candidates producing vague statements regarding the implications of becoming a public company. In the majority of cases candidates ignored the issue of financial implications and as a result they were not able to access half of the available marks.

The answers to part **(c)** were generally good with the vast majority of candidates offering both a relevant advantage and a relevant disadvantage.

BUSINESS STANDARD LEVEL

Paper 8928/5164

Marketing

Key messages

- It is pleasing once again to report some very good results in this paper, and also that time management appears to be a strength of the majority of candidates.
- The key difference between those receiving high marks and those receiving low marks was the ability to apply the concepts to the Case Study scenario. Teachers/tutors can help candidates to apply the concepts listed in the syllabus to different contexts in teaching sessions. Past papers should be useful for this purpose.

General comments

Generally, candidates showed a good understanding of the tasks and the concepts they were set to assess.

Comments on specific tasks

Task 1

(a) This first part of this task has been asked before and looked for candidates to define the term marketing. Generally, candidates were able to achieve the five marks that were available for this part of the task. Examiners were flexible in the way they awarded marks for defining the main points of marketing below:

- the relationship between buyer and seller,
- that meets and anticipates the needs of the customer,
- that facilitates exchanges between organisations and their customers,
- that the customer is important to all organisations,
- that all employees in an organisation focus on the customer.

Those who achieved lower marks wrote generally about marketing rather than defining the key points above.

(b) The second part asked for three benefits that marketing could offer the company in the Case Study. Most candidates were able to identify three specific benefits.

However, some needed to expand on the benefits they selected to explain how they would benefit Ceramic Crafts. For example, one of the benefits that was mentioned frequently was that marketing would help to increase awareness of products and services. Strong answers explained that Sharesca could do this using the promotional P of the marketing mix, producing leaflets for local Hotels and having an attractive website. They went on to explain that she could give coupons offering money off her products to those who visited the shop and encourage them to talk about her products when they returned home.

Task 2

(a) This part of **Task 2** was generally done very well. Most candidates know the market research process and many were able to explain what happened at each stage.

(b)(i) This part of the task was also done well, and candidates could explain the key differences between the two types of research.

- (ii) The final two parts of the task required application of a research method, and so candidates needed to select an appropriate method for the scenario in the Case Study. Some candidates selected a method that was not suitable for the scenario, and this therefore presented difficulties when they tried to explain how it could be used by Sharesca.
- (iii) See (ii) above.

Task 3

- (a) Most candidates could define segmentation and its purpose.
- (b) Most candidates were able to identify three methods of segmentation that were suitable. To gain high marks candidates needed to expand their explanations of the segmentation methods in more detail. Some did this well, using examples to demonstrate their understanding.
- (c) Generally this part of the task was answered well; with most recognising that geographic was very suitable because of the Case Study and its identification of a segment of 'tourists who wanted to buy when they returned home'. Some recommendations lacked justification or explanation and so received lower marks.

Task 4

Candidates needed to know the difference between SWOT and PEST to answer this task. Those who confused the two, or did not know what the framework included, found it difficult to expand each point.

- (a) This part of the task required knowledge of Political, Economic, Social and Technological environmental factors **and** the identification of relevant facts from the Case Study. In places, social was confused with strengths and technological was confused with threats. Generally it was done very well.
- (b) It was pleasing to see that most candidates were not only able to describe what SWOT stands for, but also were able to explain how it is used.

Task 5

This task focused on the new segment of the market that Sharesca has identified – i.e. that of tourists still wanting to buy her products after they have returned home.

- (a) Candidates that applied all 7 Ps to the segment mentioned above were able to achieve full marks. Some responded generically, making no link to the Case Study or the scenario described in the task, and so half marks were the maximum available.
- (b) Many candidates were able to explain what the benefits of relationship marketing are, and link these to the Case Study and the fact that Sharesca would continue to deal with customers but at a distance, so a good relationship was needed. Other candidates needed to build on a general description of relationship marketing. There also appeared to be some confusion with the definition of marketing and the definition of relationship marketing.

BUSINESS STANDARD LEVEL

Paper 8928/5165

Human Resource Management

Key messages

- Many candidates could improve on their marks simply by providing the type of answer required in the tasks. Part **(a)** of all tasks in this paper clearly requested a 'List' but many candidates chose to write essay type answers despite these tasks only being worth a maximum of four marks. In a number of cases candidates are still providing longer and more focused answers for part **(a)** tasks than they are for part **(c)** tasks. This clearly reduces the time candidates would have available to write the much more detailed explanations needed for the higher scoring part **(c)** tasks. Other than this weakness candidates overall did take account of the marks available in each part of the task when determining the depth and scope of their answer.
- Bullet points can be used to answer tasks but if candidates do so then they must ensure that the bullet points include enough detail to demonstrate that they have fulfilled the requirements of the task. As a general guide bullet points of less than a complete sentence are unlikely to have included sufficient content to achieve the required marks.

General comments

The majority of candidates had a good level of preparation and awareness of the subject. The more able candidates were also able to use the information provided in the case study to produce more educated answers by making relevant reference to the information. Candidates were usually able to provide evidence of a good understanding of all the topics covered in the syllabus. There were very few instances where candidates were not able to attempt all tasks on the examination paper. Very few candidates attempted the examination without any obvious preparation. Also candidates seem more adept at demonstrating skills in applying their knowledge to specific situations.

The best answered tasks would often identify particular sections or include quotes from the case study in the interpretation and analysis of the tasks. Candidates producing these answers had taken sufficient time to read both the case study and the accompanying tasks very carefully. Top level candidates recognised that applying their knowledge to the case study was necessary to show they understand the importance of context and thereby gain higher level marks.

Overall candidates did manage their time well and only a very few candidates were unable to complete all the tasks within the allotted time. As in most previous years, a few candidates did provide very lengthy answers to **Task 1** and a few lines only for **Task 5** which suggests that these candidates had the ability to answer these tasks to a better standard if they had managed to allocate or plan their time more appropriately,

Comments on specific tasks

Task 1

- (a)** Most candidates were capable of listing four purposes of HRM as requested. Most candidates gained three marks for listing **right mix of skills, controlling wage and salary costs, ability to react to change**, the most able candidates gained the fourth mark by listing **Support or Social costs** in addition to wage and salary costs. No additional marks were available for answers including explanations as these were not asked for in the task.
- (b)** Candidates had clear understanding of the centralised and decentralised approaches so Pass marks were achieved by most candidates. Higher marks were awarded for describing advantages

and disadvantages of both approaches. Answers were generally good but some answers would describe just advantages or just disadvantages.

- (c) Candidates generally recognised what the 'meaning of HRM' is and gave quotes to earn Pass marks and more able candidates were able to suggest practical examples of how the 'meaning' could be applied at ANZE, the company in the case study.

Task 2

- (a) Almost all candidates were able to list four aspects of the legal environment. Acceptable answers were shown in the case study and included; **employment protection; equal opportunities; health & safety; maternity/paternity; working hours; minimum wage.** Any additional information provided by candidates was ignored as it was unnecessary.
- (b) Most candidates were able to list the main features of employment markets: **sectors of employment and trends; age and gender trends; full-time versus part-time versus self-employment rates.** Higher marks were awarded to those candidates that explained each item, this was a general task but the best answers did include some reference to ANZE.
- (c) Candidates that were able to produce a very basic answer that explained that **trade unions protect employees and Employers agencies assist employers** were awarded Pass marks. Most candidates achieved marks at this level but many were able to access the higher marks available by describing the role of trade unions in the protection of the rights of and the role of Employers Associations and government agencies in more detail. The very best candidates produced a Distinction level answer by including practical suggestions of instances where the Employers Associations could assist ANZE.

Task 3

- (a) Nearly all candidates were able to list four types of employment contract; **permanent, temporary, specific jobs/tasks; part-time, fixed term.** This task only asked for lists so no explanation was required for these items; consequently no further marks were awarded to those candidates also providing definitions.
- (b) Explanations of working patterns were generally well answered. Answers simply listing the different methods such as **day work, shift work, flexitimes were** only awarded basic marks. Additional marks were awarded to those candidates that provided comprehensive explanations of each method and most candidates also achieved some marks at this level.
- (c) Very many candidates incorrectly chose to describe the activities involved in both the **recruitment and selection** process even though the task clearly only asked for a **recruitment** process. Answers relating to the selection process were therefore ignored. Pass marks only were awarded where candidates merely provided lists of the general process of **job description, person specification, application forms, cv's, methods of attracting candidates.** Additional marks were awarded for the quality of the explanation of each item. Highest marks were awarded to a few candidates who applied their knowledge and made some reference to the recruitment practice suited to the Insurance industry (e.g.: duties in job description).

Task 4

- (a) The four methods for monitoring and measuring work should have included items such as **targets; standards; key competencies; appraisal system.** Many candidates gained all four marks on this task. This task only asked for lists so no explanation was required for these items; consequently no further marks were awarded to those candidates also providing definitions.
- (b) Candidates were generally able to quote the relevant section on problem solving systems for a Pass mark or explain **discipline and grievance procedures** in general terms. Merit level marks were awarded for detailed explanations of the stages in each procedure and highest marks were given to those candidates able to linking their answer to the insurance industry. Those parts of answers describing discipline procedures were noticeably better than the sections on grievance procedures.

- (c) A number of candidates provided similar answers to this task as for part (b), it should be apparent that consecutive tasks are unlikely to be on the same topic. The weakest Pass level answers listed the systems or concentrated on one or two particular system e.g. **works councils, worker directors, committees**. Better Pass level answers also made reference to the case study and candidates providing examples of how ANZE could benefit - **exchange of ideas, better links between workers and managers, greater understanding and trust**, gained marks at Merit level. A few very able candidates expanded their answers to other benefits such as **less disputes, a more satisfied and productive workforce**.

Task 5

- (a) Again a well answered task and virtually all candidates were able to list three of the four training methods required. Acceptable answers included **Induction training, on the job training, off the job training, internal versus external training, continuing professional development**. Continuing professional development was the answer most likely to be missed.
- (b) Most candidates identified **salaries and wages, piece work, payment by results, bonuses and pensions** as being the methods of payment suitable for ANZE. Higher marks were awarded where candidates provided clear explanations. Most candidates were able to obtain a least a Pass mark on this task.
- (c) Candidates were required to describe fringe benefits and non-financial rewards as a basic requirement. Pass level candidates simply listed the main benefits including **holidays, company cars, cheap loans, subsidised food and accommodation, healthcare, discounts on company products or services**. At the Merit band candidates also explained what each benefit consisted of and at the top of this level would also refer to motivation as part of their answer. Distinction level candidates' answers included all of the above and also made recommendations as to how suitable each benefit would be for staff at ANZE.

BUSINESS STANDARD LEVEL

Paper 8928/5169

Business Organisation and Environment

Key messages

- The paper consists of a case study and a series of tasks which should be answered based upon the knowledge acquired in studying the syllabus, and applied wherever possible to the case study.

General comments

Teachers are strongly advised to address the subject of examination technique when preparing their candidates for the examinations.

The following bullet points summarise the advice teachers and invigilators should give to their candidates:

(a) They should:

- read and make sure that the Examiner's instructions are clearly understood;
- focus on the essentials of each task or question;
- relate the length of the reply to the number of marks available for that question, we have seen too many candidates write long answers to early tasks on the paper and then run out of time before the end of the paper;

(b) They should not:

- copy out the tasks or questions; this seems to have become more common and leads to candidates running out of time
- wrongly number the tasks or part-tasks;
- include irrelevancies i.e. demonstrating knowledge that is not called for. This problem will be minimised if the candidates read the task carefully

Other points to bear in mind include:

- (i) An expectation of the case study is that candidates will respond in the appropriate context. This means that, unless the task calls for the rehearsal of general business knowledge, answers should be clearly related to the case study. Too many responses are generic and so *marks are often lost because the context is disregarded*. It is not enough to display knowledge and teachers should ensure that their candidates understand the importance of context.
- (ii) Candidates must appreciate that a *short and focused answer* is preferable to one that is lengthy and offers little substance. At no point in the examination paper are candidates required to submit detailed essay-type answers, but they must write enough to demonstrate to the Examiner that they understand the tasks.
- (iii) Candidates often lose marks for very brief descriptions or explanations.. Bullet points will usually not earn good marks because they tend to be lists with no description or explanation.
- (iv) The majority of candidates sit the examination in a second language and incorrect spelling and grammatical errors do not result in the deduction of marks. The demonstration of business knowledge is much more important than the quality of written language. The Examiner must be able to understand the answers and cannot be expected to guess the candidate's meaning and intention.
- (v) 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.

Comments on specific tasks

The case concerned Rajib Fabrics Ltd (RFL), a cloth and clothing manufacturer located in Dhaka, Bangladesh.

Task 1

- (a) Usually well answered with limited liability, continuity of business and ease of raising capital being commonly seen.
- (b) This is a relatively new introduction to the syllabus but it was disappointing that many candidates completely missed this task. Gross profit was 49.7% and net profit was 15.98%. Where candidates showed the correct figures in the formula but did not arrive at a final figure due to a lack of a calculator, full marks were awarded.
- (c) Generally well answered with the creation of jobs and the increased taxes being the most popular. The positive contribution of RFL's exports to the Balance of Trade was also mentioned.
- (d) A well answered task with many sources of capital described including selling additional shares, loans, sale and leaseback and ploughed back profits.

Task 2

- (a) This was not well answered. Advantages of a narrow span of control include close supervision, better communication to subordinates and more planning time for the Supervisor. Disadvantages include higher costs due to the need for more Supervisors, and possible poor motivation for the subordinates due to the close supervision.
- (b) The chain of command and communication channels are shown on an organisation chart and were stated by most candidates.
- (c) Many candidates described the functions of Marketing and Production departments but not all explained why they should work together. Marketing needs to know the production costs and then compare them with the likely selling price. Production needs to know the likely quantities needed in order to schedule production.
- (d) This task was well answered with most candidates knowing three of the stakeholders, although some just listed them with no description.

Task 3

- (a) Temporary part-time employees provide RFL with flexibility, they can be employed when needed and laid off when there is less work. Some candidates confused them with casual workers who are often employed on a day to day basis and have fewer legal rights.
- (b) This was well understood by most candidates. RFL would not have to provide working space and would only have to pay for work completed. Employees have more flexibility about when they work and remove travel costs to and from work.
- (c) Many candidates just repeated Hassan's achievements which show his loyalty. Loyalty from other staff such as working to the best of their ability and not leaving RFL was not as well explained.
- (d) Most candidates realised the advantages of a staff association such as providing a source of advice and acting on behalf of the employees in any dispute with RFL.

Task 4

- (a) Advantages such as a large pool of labour and a well-developed infrastructure were often given. The marketing advantages of locating in a large city for a manufacturer were often over-emphasised.
- (b) Computer aided design and manufacture as well as modern communication methods through the Internet were given by many candidates. Maximum marks were widely awarded.
- (c) Unfortunately a surprising number of candidates did not know the meaning of the business cycle. Those who did explained the cycle of Boom, Recession, Slump and Recovery and then related the cycle to RFL.
- (d) Taxation in various forms will affect RFL by directly increasing or decreasing their after-tax profits as well as affecting the disposable income of their customers. Many candidates did not realise these two effects. Competition was better answered with a negative effect of forcing RFL to lower prices, but a positive effect of encouraging them to improve quality and produce new products.

Task 5

- (a) Advertising in trade magazines and offering bulk discounts were two promotional methods. Unfortunately many candidates did not read the task carefully, and gave answers such as TV advertising which would be a more appropriate method for the retail trade.
- (b) Segments were generally understood with examples such as age segments, size segments and budget clothing.
- (c) Europe and North America are larger richer markets with well-developed distribution channels. Bangladesh producers such as RFL would have cost advantages against the manufacturers resident in those countries. The export earnings would be favourable to the Bangladesh government. Many candidates just stated that exporting would increase sales with no further explanation.
- (d) Costs would generally dictate that mainly secondary research should be carried out. Fashion magazines could be monitored and extensive use of agents resident in the importing country would be necessary to monitor market needs. Answers tended to be very brief although, as this was the last task on the paper, time considerations were probably affecting the answers.