NATIONAL
QUALIFICATIONS
2011

BUSINESS<br>MANAGEMENT<br>STANDARD GRADE<br>Foundation Level<br>Practical Abilities Report



Page two

## business@work—Report

It is now time to prepare a report to summarise your thoughts on your business. Your report is split into the following 3 sections.

- Section 1 - USING business@work
- Section 2-LOCATION
- Section 3 -EXPANSION

Complete your report using the information from the scenario and other course materials.
[Turn over

## SECTION 1—USING business@work

The following tasks relate to using the business simulation.


1. From the office shown above, describe the 2 methods used to access the screen that shows the map of Mereside and video clips.

| Method | Description |
| :---: | :---: |
| (i) |  |
| (ii) |  |


2. (a) Using the map, identify the button you would use to show where the shopping centres are in Mereside.
$\qquad$
(b) Name the district that contains 2 of the sites that are available to lease.

Question 3 refers to the screen as shown below.

3. Three of the headings have been removed. Complete the table below.

| Label | Heading |
| :---: | :--- |
| A |  |
| B |  |
| C |  |

4. View the video clips below to answer the questions which will help you run business@work.
(a)


State the action that is being considered to solve the delays on market day.
$\qquad$
(b)


Suggest a reason why property in Market Square does not remain empty for long.
$\qquad$
(c)


Suggest a reason why the castle is a popular stopping off place for tourists.
$\qquad$
(d)


Suggest a reason why college courses are over-subscribed.
$\qquad$
(e)


Suggest a disadvantage of Bridgend Market.
5. Use your Internet function in business@work to open the Business Works.com website shown below.

(a) Click on the following hyperlink.

Site/Choosing a Location
Print out this page.

|  | Attached |
| :--- | :--- |

(b) Click on the following hyperlink to answer the questions which follow.

- Important points!
(i) State the finance given by the bank.
$\qquad$
(ii) Identify 2 "important" questions that are given about your Premises.

Question 1 $\qquad$
$\qquad$
Question 2 $\qquad$
$\qquad$

## 5. (continued)

(c) Click on $\qquad$ to return to the Location screen and then click on the following hyperlink to answer the questions which follow.

- About the districts/area in Mereside. Information about Mereside.
(i) State the number of residential properties for sale in Mereside.
$\qquad$
(ii) Name the district where properties are expensive and privately owned.
$\qquad$
(iii) State the number of high-rise blocks in Blackford which are due for demolition.
$\qquad$
(iv) Name the district which includes the shopping centre.
$\qquad$


## SECTION 2-LOCATION

The location of your business is very important. Use the Site Planner and the Start-up File to help you answer questions 6, 7, 8 and 9 .

When visiting the 4 sites and viewing the floor plans, this screen appears.

6. (a) Use the Site Planner to complete the table for all $\mathbf{4}$ sites.

| Site | Rent | Alteration Cost | Loan |
| :---: | :--- | :--- | :--- |
| $\mathbf{1}$ | $£ 625$ | $£$ | $£$ |
| $\mathbf{2}$ | $£$ | $£ 6,300$ | $£$ |
| $\mathbf{3}$ | $£$ | $£ 14,300$ | $£ 12,750$ |
| $\mathbf{4}$ | $£ 1,100$ | $£$ | $£ 3,150$ |

In the Finance section of the Start-up File, Marie suggested that the loan should be within a particular range.
(b) Identify the site which shows the loan within this range.

Site

The Start-up File suggests that Customers and Competitors will affect how successful your business will be.

7. Identify one Fixed Contract customer and one Local competitor.

Fixed Contract customer $\qquad$
Local competitor

Your stationery business is located close to your supplier.
8. Identify your supplier and suggest 2 benefits for any business of being situated close to their supplier.

Name of Supplier $\qquad$
Benefit 1 $\qquad$
$\qquad$

Benefit 2 $\qquad$
9. The Start-up File states that you have 3 Sources of Finance available to you.
(a) Print out the page from the Start-up File that displays this information.

(b) Identify these sources. The first one has been done for you.

## Source 1 Loan

Source 2 $\qquad$
Source 3 $\qquad$
(c) Suggest one other source of finance available to your stationery business.
$\qquad$
10. From the list below, tick $(\checkmark)$ the $\mathbf{3}$ best reasons for choosing a location for a stationery business.

|  | Tick $(\boldsymbol{\checkmark})$ <br> $\mathbf{3}$ boxes |
| :--- | :---: |
| Good infrastructure |  |
| The highest rent |  |
| A modern building with low alteration costs <br> can keep costs down |  |
| Your employees can easily get to work |  |
| A run-down, derelict area |  |
| No car parking for customers |  |

11. From the article, match each statement with the appropriate words/phrase in the table below.

| Statement |
| :--- |
| The company is a Private <br> Limited Company |
| The company operates <br> nationally |
| The company provides services <br> to customers |
| The staff are taught how to <br> work to the best standards |
| The company provides products <br> to customers |


| Text from article |
| :--- |
| "Arnold Clark network has 145 <br> dealerships throughout the UK" |
| "Each dealership has highly <br> trained and skilled employees" |
| "The Group's main business is <br> new and used car sales" |
| "Arnold Clark Group Ltd" |
| "also offers MOTs and repairs" |

Arnold Clark Group Ltd is a UK-wide organisation. Your stationery business has one store.
12. Answer True (T) or False (F) for the following statements about the size of a business.

| Statement | True (T) or False (F) |
| :--- | :--- |
| A large business will usually have a large number of <br> employees. |  |
| A small business will usually be a Public Limited <br> Company (plc). |  |
| A large business will usually have many outlets and <br> have hundreds of employees. |  |
| A small business will be known throughout the <br> country and sell millions of products/services. |  |

The training of 8,000 workers at Arnold Clark Group Ltd is organised by their Human Resources Department.
13. Describe a possible activity/task for each of the other $\mathbf{3}$ functional areas in your stationery business.

| Functional Area | Activity/Task |
| :--- | :--- |
| Marketing |  |
| Finance |  |
| Operations |  |

One of the reasons why people want to work for Arnold Clark Group Ltd is job satisfaction (they enjoy working there).
14. Suggest 2 other reasons why someone would want to work in your stationery business.

Reason to work 1 $\qquad$
$\qquad$
Reason to work 2 $\qquad$
$\qquad$
"Over the years Arnold Clark Group Ltd has taken-over many smaller car dealers."
15. Describe 2 reasons why taking over another organisation would benefit your stationery business.

Reason 1 $\qquad$
$\qquad$
Reason 2 $\qquad$
$\qquad$

Arnold Clark Group Ltd sells its goods in dealerships/showrooms/outlets.
16. Suggest one other way that you can sell your stationery sets.
$\qquad$
$\qquad$

## Arnold Clark Group Ltd faces competition. If your stationery business is to succeed it must compete with other similar businesses.

17. Circle the correct word in the statements below.
(a) Customers always want the best/poorest quality product.
(b) Customers think that a high price means a low/high quality product.
(c) If my competitor reduces their price below my price, I will expect my product to sell more/less.
(d) Using new technology will make my products more/less competitive.

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2011

BUSINESS<br>MANAGEMENT<br>STANDARD GRADE<br>Foundation Level<br>Practical Abilities Report<br>Exemplar answers/Marking guidelines

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Page two

## Notes for Teachers

## Important Information

- Important Information has been provided as a separate document and issued to centres by SQA.
- This contains specific information which will assist teachers to support candidates through the project eg highlighting when printouts are required.
- Teachers should read this before candidates start business@work and their Practical Abilities reports.

When candidates are asked to reflect on decisions taken during business@work their answers should relate to their original decisions. These may differ from one candidate to another.

Teachers should use their professional judgement to award marks based on the exemplar answers and guidelines for marking provided.
If candidates provide answers and justifications which are not included in the exemplar answers/marking guidelines provided, but are nonetheless valid, teachers should award marks appropriately.

Marks should be allocated according to the exemplar answers/marking guidelines provided - half marks must not be awarded.

Marking guidelines with all amendments clearly shown should be included with the candidate sample for verification.
Candidates should respond to the questions in their report using the Foundation level booklet provided.
[Turn over

## business@work—Report

It is now time to prepare a report to summarise your thoughts on your business.
Your report is split into the following 3 sections.

- Section 1 -USING business@work
- Section 2-LOCATION
- Section 3 -EXPANSION

Complete your report using the information from the scenario and other course materials.

## SECTION 1—USING business@work

The following tasks relate to using the business simulation.


1. From the office shown above, describe the 2 methods used to access the screen that shows the map of Mereside and video clips.

| Method | Description |
| :---: | :--- |
| (i) | Click on the map on the wall of the office |
| (ii) | Click on the map icon on the toolbar |

2. (a) Using the map, identify the button you would use to show where the shopping centres are in Mereside.

## By clicking on the Retail button (or any answer that shows that this button has been pressed/selected)

(b) Name the district that contains 2 of the sites that are available to lease.

Westgate

## Question 3 refers to the screen as shown below.


3. Three of the headings have been removed. Complete the table below.

| Label | Heading |
| :---: | :--- |
| A | Property Centre (overview of Mereside) |
| B | Chamber of Commerce (types of businesses in <br> Mereside) |
| C | Map |

4. View the video clips below to answer the questions which will help you run business@work.
(a)


State the action that is being considered to solve the delays on market day.
Introduce a one-way traffic system
(b)


Suggest a reason why property in Market Square does not remain empty for long.

Popular with shoppers and tourists
(c)


Suggest a reason why the castle is a popular stopping off place for tourists.

Historic site/ample parking
(d)


Suggest a reason why college courses are over-subscribed.


Suggest a disadvantage of Bridgend Market.

Poor parking
5. Use your Internet function in business@work to open the Business Works.com website shown below.

(a) Click on the following hyperlink.

Site/Choosing a Location
Print out this page.

|  | Attached |
| :--- | :--- |

One mark for correct printout
(b) Click on the following hyperlink to answer the questions which follow.

- Important points!
(i) State the finance given by the bank.

Loan
(ii) Identify 2 "important questions" that are given about your Premises.

Any 2 from: (max 2)

- Is the premises suitable for the business?
- How many rooms does it have?
- Is there enough parking?


## 5. (continued)

(c) Click on $\qquad$ to return to the Location screen and then click on the following hyperlink to answer the questions which follow.

- About the districts/area in Mereside. Information about Mereside.
(i) State the number of residential properties for sale in Mereside.
(ii) Name the district where properties are expensive and privately owned.


## Burnside

(iii) State the number of high-rise blocks in Blackford which are due for demolition.

10
(iv) Name the district which includes the shopping centre.

Kelty

## SECTION 2-LOCATION

The location of your business is very important. Use the Site Planner and the Start-up File to help you answer questions 6, 7, 8 and 9 .

When visiting the 4 sites and viewing the floor plans, this screen appears.

6. (a) Use the Site Planner to complete the table for all $\mathbf{4}$ sites.

| Site | Rent | Alteration Cost | Loan |
| :---: | :---: | :---: | :---: |
| 1 | $£ 625$ | $£ 6,700$ | $£ 5,150$ |
| 2 | $£ 900$ | $£ 6,300$ | $£ 4,750$ |
| 3 | $£ 1,000$ | $£ 14,300$ | $£ 12,750$ |
| 4 | $£ 1,100$ | $£ 4,700$ | $£ 3,150$ |

In the Finance section of the Start-up File, Marie suggested that the loan should be within a particular range.
(b) Identify the site which shows the loan within this range.

Site 1

The Start-up File suggests that Customers and Competitors will affect how successful your business will be.

7. Identify one Fixed Contract customer and one Local competitor.

Fixed Contract customer
Mereside Young People's Project OR
Tufnell $\mathfrak{G}$ Continino
Local competitor
Prestige Print OR
The Publishing House OR
Stop Press!

Your stationery business is located close to your supplier.
8. Identify your supplier and suggest 2 benefits for any business of being situated close to their supplier.

Name of Supplier Glendales (one mark)
Benefits-Any 2 from:
Quicker delivery time
Fresher products
Cheaper transport costs
Flexibility of deliveries
Use of $\mathfrak{7}$ ust In Time
Better/closer relationship with supplier
Any other reasonable answer
9. The Start-up File states that you have 3 Sources of Finance available to you.
(a) Print out the page from the Start-up File that displays this information.

|  | Attached |
| :--- | :--- |

(b) Identify these sources. The first one has been done for you.

## Source 1 Loan

Source 2 Enterprise Grant (accept Grant on own)
Source 3 Capital
Do not accept Loan
(c) Suggest one other source of finance available to your stationery business.

Any one from:
Retained profits
Family and friends
Prince's Trust
Venture Capital (Dragons' Den)
Accept form Partnership or Private Limited Company (issue shares) as extra funds should be available
Do not accept form PLC as unlikely
Any other acceptable answer
10. From the list below, tick $(\checkmark)$ the $\mathbf{3}$ best reasons for choosing a location for a stationery business.

|  | Tick $(\boldsymbol{\checkmark})$ <br> 3 boxes |
| :--- | :---: |
| Good infrastructure | $\checkmark$ |
| The highest rent |  |
| A modern building with low alteration costs <br> can keep costs down | $\checkmark$ |
| Your employees can easily get to work | $\checkmark$ |
| A run-down, derelict area |  |
| No car parking for customers |  |

11. From the article, match each statement with the appropriate words/phrase in the table below.

| Statement |  |
| :--- | :--- |
| The company is a Private <br> Limited Company |  |
| The company operates <br> nationally |  |
| The company provides services <br> to customers |  |
| The staff are taught how to <br> work to the best standards |  |
| The company provides products <br> to customers | "Arnold Clark network has 145 <br> dealerships throughout the UK" |

## Arnold Clark Group Ltd is a UK-wide organisation. Your stationery

 business has one store.12. Answer True (T) or False (F) for the following statements about the size of a business.

| Statement | True (T) or False (F) |
| :--- | :---: |
| A large business will usually have a large number of <br> employees. | $\boldsymbol{T}$ |
| A small business will usually be a Public Limited <br> Company (plc). | $\boldsymbol{F}$ |
| A large business will usually have many outlets and <br> have hundreds of employees. | $\boldsymbol{T}$ |
| A small business will be known throughout the <br> country and sell millions of products/services. | $\boldsymbol{F}$ |

[Turn over

The training of 8,000 workers at Arnold Clark Group Ltd is organised by their Human Resources Department.
13. Describe a possible activity/task for each of the other $\mathbf{3}$ functional areas in your stationery business.

Each answer MUST contain a verb to show some form of description. One word answers (eg questionnaire, accounts, batch, etc) do not constitute a description.

| Functional Area | Activity/Task |
| :---: | :---: |
| Marketing | - Do not accept "market research" on its own. But accept do/perform/use, etc <br> - Use . . . Research $\mathfrak{G}$ Development <br> - Use . . Market Segmentation <br> - Use/work out/devise* Pricing methods/ strategies <br> - Use/make up/change* any of the other elements of the marketing mix <br> - or any basic description of a marketing activity <br> *or similar wording |
| Finance | - Use/compile/make up* Cash Budgets/ TPL/Balance Sheets (accept use/ compile/make-up* final accounts) <br> - Use/compile/make up* ratios <br> - Work out* wages <br> - Buy* goods <br> - or any basic description of a finance activity <br> *or similar wording |
| Operations | - Produce/make* goods/services <br> - Use/decide on* $\mathfrak{F o b} /$ Batch/Flow production <br> - Use* machines or human workers ("use automation", etc acceptable) <br> - Use* $\mathfrak{F I T} /$ Stock control, etc <br> *or similar wording One mark max per Functional Area |

One of the reasons why people want to work for Arnold Clark Group Ltd is job satisfaction (they enjoy working there).
14. Suggest 2 other reasons why someone would want to work in your stationery business.

Any 2 from:
Wages/pay
Hours of work
Pension
Social Reasons
Promotion prospects
Made redundant
Holidays
Prestige
Company car
or any acceptable fringe benefit/answer
do not accept any form of job satisfaction
"Over the years Arnold Clark Group Ltd has taken-over many smaller car dealers."
15. Describe 2 reasons why taking over another organisation would benefit your stationery business.

Any 2 from:
Reduce competition Cheaper supplies/Raw materials
Expand the business Spread risk
Increase assets Increase market share
Economies of scale
or any acceptable reason for a takeover
Answers must contain a verb to show some sort of description - one word answers not acceptable

Arnold Clark Group Ltd sells its goods in dealerships/showrooms/outlets.
16. Suggest one other way that you can sell your stationery sets.

| Mail order | Wholesaler |
| :--- | :--- |
| Internet website (not "Internet" on own) | Door-to-door <br> Catalogue |
| Home delivery |  | or any acceptable method of selling goods/services to customers

## Arnold Clark Group Ltd faces competition. If your stationery business is to succeed it must compete with other similar businesses.

17. Circle the correct word in the statements below.
(a) Customers always want the best poorest quality product.
(b) Customers think that a high price means a low high quality product.
(c) If my competitor reduces their price below my price, I will expect my product to sell moreless.
(d) Using new technology will make my products more/less competitive.

## STANDARD GRADE BUSINESS MANAGEMENT PRACTICAL ABILITIES-2011

## IMPORTANT INFORMATION

## Guidelines for all levels of Practical Abilities Reports

1 All candidates must experience decision 11 ie "Running their business". The decisions made prior to this are planning decisions which build up to running the business.

2 All candidates should have access to their written report as they work through the business@work TO DO list.

3 Please ensure that each pupil is being presented at the most appropriate level.

4 Candidates are asked to reflect on decisions taken during business@work. Candidates' answers should relate to their original decisions. These may differ from one candidate to another.

5 In addition to information contained within business@work candidates can refer to other course notes.

6 Credit level candidates should not write their answers on the question paper. Answers should be written in ink or word processed on separate sheets of paper. Foundation and General level candidates should use the workbook provided by SQA to complete their reports.

## Guidelines for assessing

1 Marks should be allocated according to the exemplar answers/marking guidelines provided. No half marks must be awarded.

2 Teachers are encouraged to analyse carefully all pupil answers, particularly at Credit level, to ensure marks awarded are warranted at this level.

3 Teachers should use their professional judgement to award marks based on the exemplar answers and guidelines for marking provided.

4 If candidates provide answers and justifications which are not included in the exemplar answers provided, but are nonetheless valid, teachers should award marks appropriately.

5 Exemplar answers/marking guidelines with all amendments clearly shown should be included with the candidate sample for verification.

| Report | Printouts required | Specific information |
| :---: | :---: | :---: |
| F | Section 1—Question 5(a) requires a printout from the Business Works.com <br> Internet site showing the page Site/Choosing a Location. | It is recommended that candidates have access to the Foundation Report issued by SQA as they work through the TO DO list. |
|  | Section 2—Question 9(a) requires a printout from Start-up File showing available Sources of Finance. |  |
| G | Section 2—Question 5(a) requires a printout from the Business Works.com Internet site showing the page about the main commercial and industrial employers. | It is recommended that candidates have access to the General Report issued by SQA as they work through the TO DO list. |
|  | Section 2-Question 5(c) requires the candidate to print a page from the Player's Workbook showing your choice of site. |  |
| C | Section 2—Question 5(a) requires a printout from business@work showing the site you have chosen for your stationery business. | It is recommended that candidates have access to the Credit Report issued by SQA as they work through the TO DO list. |
|  | Section 2—Question 7 requires a printout from business@work showing your customers and competitors. |  |

National Qualifications 2011

## Standard Grade Business Management-Practical Abilities

## Notes to Teachers on Internal Assessment and Completion of Internal Assessment Flyleaf

## 1 General

Reference should be made to Section 67 Internal Assessment of Practical Abilities in the Arrangements in Business Management issued in 1998.

## 2

## The Report

Every candidate should be issued with a set of tasks at the appropriate Level to enable them to complete a Report for Practical Abilities Assessment.

Candidates should be familiar with the business@work simulation (Stationery Scenario) issued on CD ROM $1 \cdot 1$ (or updated CD ROM 2.1) previously by the Scottish Qualifications Authority.

To complete the tasks candidates may access:

- the business@work simulation
- their own Player's Workbook (produced by business@work during the familiarisation process)
- other course materials.

Remind candidates that:

- all work submitted must be their own. (If it is established that the work of another candidate has been submitted as their own, SQA may cancel awards in all their subjects.)
- requests for teacher assistance, if excessive, may reduce the grade awarded for the work. (Teachers should distinguish between clarification and assistance-see paragraph 671 of the Arrangements.)

No work or material may be taken out of the centre.

Assess each report and record the marks on Internal Assessment Flyfleaf for each candidate concerned in accordance with paragraph 672 of the Arrangements.

The following table shows the relationship between marks and grades.

| Percentage of <br> available marks | Foundation <br> Level |  | General <br> Level |  | Credit <br> Level |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $75-100$ | $45-60$ | 5 | $45-60$ | 3 | $45-60$ | 1 |
| $50-74$ | $30-44$ | 6 | $30-44$ | 4 | $30-44$ | 2 |
| $40-49$ | $24-29$ | 7 | $24-29$ | 5 | $24-29$ | 3 |
| $0-39$ | $0-23$ | 7 | $0-23$ | $7 *$ | $0-23$ | $7 *$ |

## * Grades 6 and 4 are not available at General and Credit Levels respectively. Candidates who do not complete the TO DO list should be awarded a grade 7.

Enter the final grade for each candidate in the appropriate box on the front page of Internal Assessment Flyleaf.

Teachers should note that:
a the completed Internal Assessment Flyleaf for each candidate
b the completed business@work Report for each candidate
c a printout of a class list with passwords*
d a printout of each candidate's TO DO list*
e any other printouts required by the F, G and C Reports
f a copy of exemplar answers/marking guidelines with any additions made
will be required for central verification.
In early March 2011, Forms SGER 00 will be issued for the recording and submission of the final grades to SQA. Appropriate returns must be submitted by the due date.

If any candidate experiences technical difficulties as a result of using the CD ROM, this must be documented at the time in the event that SQA might request such information prior to Central Verification.

* Teachers should refer to the business@work User Guide issued to centres with the CD for further information on how to carry out printouts.

Teachers should refer to the document Important Information for further information relating to the $\mathrm{F}, \mathrm{G}$ and C Reports.

