

STANDARD GRADE BUSINESS MANAGEMENT PRACTICAL ABILITIES—2012

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.

SPECIFIC INFORMATION (FOUNDATION/GENERAL/CREDIT LEVEL REPORTS)

Report	Printouts required	Specific information
F	Section 2—Question 7(a) requires a printout from the Business Works.com Internet site showing the page Site/Choosing a Location.	It is recommended that candidates have access to the Foundation Report issued by the SQA as they work through the TO DO list.
	Section 2—Question 9(a) requires a printout from the Player’s Workbook showing the Trading, Profit and Loss Account.	
G	Section 2—Question 6(a) requires a printout from the Player’s Workbook showing the amount of depreciation.	It is recommended that candidates have access to the General Report by the SQA as they work through the TO DO list.
	Section 2—Question 8(a) requires a printout from the Start-up File showing the 2 sources of finance used to purchase your stationery business.	
C	Section 2—Question 3(a) requires a printout from the Player’s Workbook showing the Trading, Profit and Loss Account and the Balance Sheet.	It is recommended that candidates have access to the Credit Report issued by the SQA as they work through the TO DO list.
	Section 2—Question 4 requires a printout from business@work showing expenses.	

[END OF IMPORTANT INFORMATION]

NATIONAL
QUALIFICATIONS
2012

BUSINESS
MANAGEMENT
STANDARD GRADE
Foundation Level
Practical Abilities Report



business@work ***Report***

Pupil name _____

Business name _____



***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—THE BUSINESS PLAN
- Section 3—IN THE FUTURE

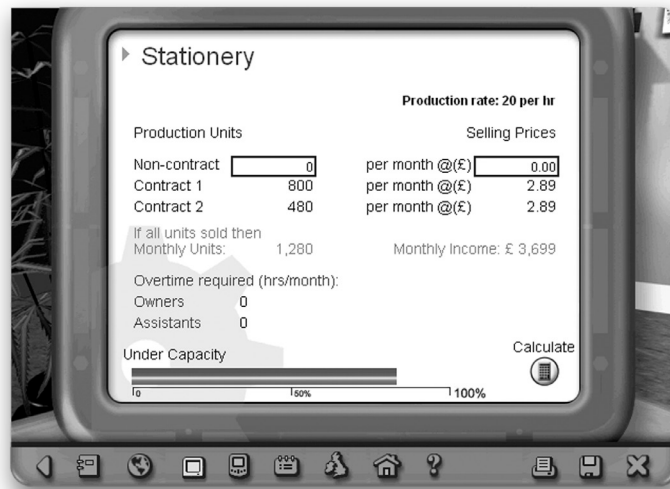
Complete your report using the information from the scenario and other course materials.

[Turn over

SECTION 1—USING business@work

Marks PA

The following tasks relate to the use of the Production Planner.



1. State how you access the Production Planner.

2

2. Complete the table below using the word bank.

Use each term only once.

The first one has been done for you.

Production Rate	Capacity	Overtime Required	Monthly Income
-----------------	----------	-------------------	----------------

Definition	Term
Extra time worked beyond the normal hours of employment.	<i>Overtime Required</i>
The amount that can be produced using all the resources.	
The amount of money received per month for goods sold.	
The number of units that can be made within an hour.	

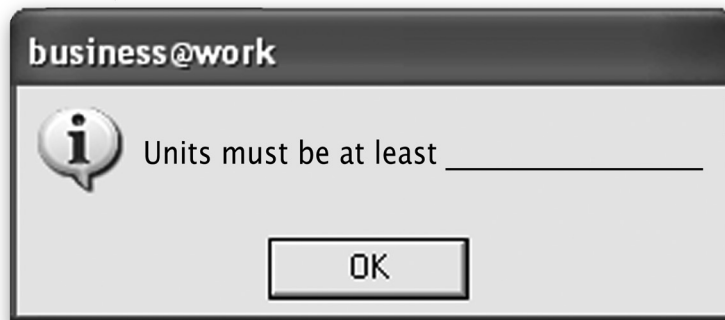
3

3. Use the Production Planner in *business@work* to enter the number of Non-contract units being produced and the Selling Price shown below.
Record your results in the table below.

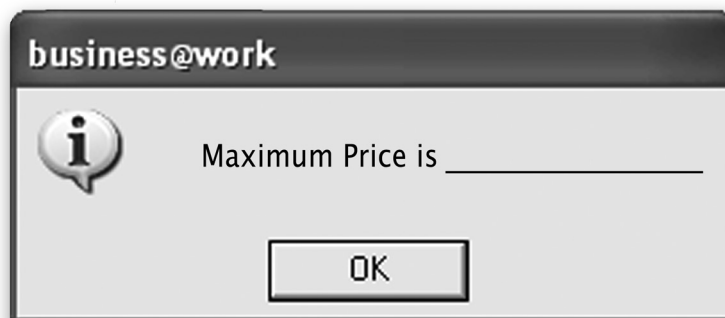
Non-contract Units	Selling Price	Total Monthly Units	Monthly Income
2,000	£3.00		
3,200	£2.75		

4

4. (a) Use the Production Planner to enter **1,000 Non-contract units** being produced. Complete the pop up message below.

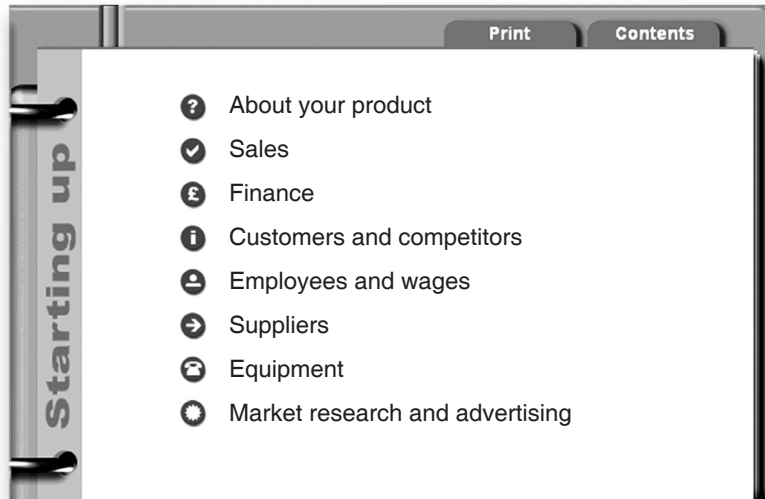


- (b) Use the Production Planner to enter the **Selling Price £5.00**. Complete the pop up message below.



2

[Turn over



5. (a) The Production Planner shows Contract 1 and Contract 2. From your Start-up File, identify **2** fixed contracts.

	Tick (✓) the correct answers
Mereside Young Peoples Project	
Prestige Print	
Tuffnell & Continino	
Stop Press!	

2

(b) Using the Start-up File, complete the table below. **The first one has been done for you.**

Statement	Start-up File Heading
All of your stationery sets will be made to order.	<i>About your product</i>
You have received an enterprise grant of £5,000.	
It will cost £1.70 to buy raw materials for each stationery set.	
Rate of pay for overtime hours.	
Credit terms are 30 days.	

4

SECTION 2—THE BUSINESS PLAN

Marks

PA

6. The Production Planner helps you to make calculations.

(a) Identify the other tool within *business@work* that could be used for calculating.

Tool _____

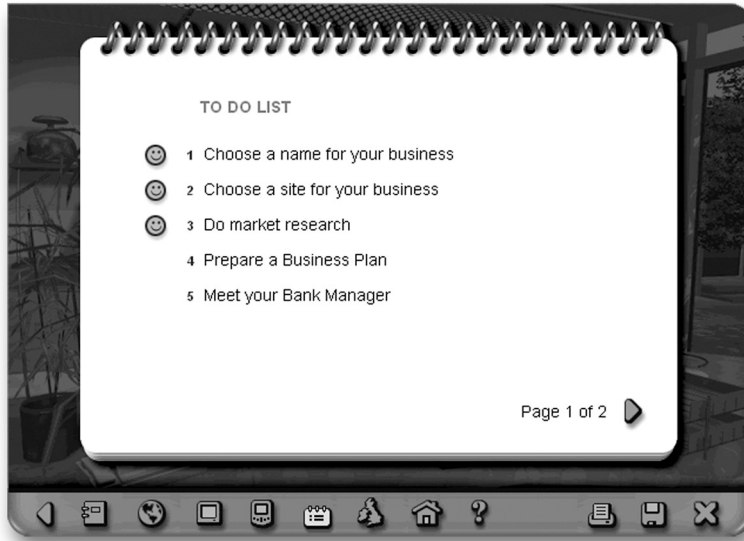
1

(b) Other than calculating, identify one use of this tool.

Use _____

1

[Turn over



7. (a) Print the page from the *businessworks.com* website that gives you information about site/choosing a location.

	Attached
--	----------

1

(b) *businessworks.com* contains information on choosing a location. Match the headings to the correct statement.

Heading	Statement
Important Points!	Mereside has 5 districts, Burnside, Parkview, Westgate, Blackford and Kelty.
Background to Mereside	You must consider finance, premises, competition, customers and image.
About the district	The main commercial and industrial employers include Cashil's and Kintore Plc.
Local industry	Mereside is a busy market town with a population of approximately 200,000.

4

Marks

PA

8. (a) Using **your own Business Plan**, complete the information for each section.

(i) Site Chosen _____

1

(ii) Reason for choosing your site _____

1

(iii) Selling Price for non-contract sales _____

1

(iv) How much will you spend on advertising _____

1

(v) One of your competitors _____

1

(vi) Supplier _____

1

(b) When completing the Business Plan it is important that you understand the elements of the marketing mix.

Using the word bank below, complete the table.

Price

Product

Place

Promotion

Description	Marketing Mix Element
A good or service offered to customers.	
The amount of money customers have to pay for a good or service.	
Bring the good or service to the attention of buyers.	
Making sure that your good or service is available to customers where they want it.	

4

Marks

PA

9. (a) After completing your Business Plan, print a copy of your **Trading, Profit and Loss Account**.

	Attached
--	----------

1

- (b) Using the printout, highlight the Gross Profit figure and the Net Profit/Loss figure.

	Gross Profit figure highlighted.
	Net Profit/Loss figure highlighted.

2

- (c) Reducing costs improves your profit. In the table below, identify **2** costs that you could reduce in your stationery business.

	Tick (✓) 2 costs
Sales	
Postage	
Telephone/Fax	
Grant	

2

SECTION 3—IN THE FUTURE

Marks PA



Gregor Mackintosh had the idea of creating a new business producing Extra Virgin Oil.

Gregor produces and bottles the oil on his family's farm using a process that involves cold pressing the rapeseed. He checks the oil throughout the production process. His range includes garlic and lemon flavoured oil.

He started the business in 2009 and spent the first 12 months running it on his own. After gaining a good response to the product in farm shops, he took on 3 employees to prepare for expansion. The business continues to look to the future and has recently launched a website.



10. (a) Gregor Mackintosh is a young entrepreneur. Give 2 reasons for you becoming an entrepreneur in your stationery business.

Reason 1 _____

Reason 2 _____

2

(b) Gregor provides the **enterprise** for his business. This is one of the 4 factors of production. Identify the 3 other factors of production you will use in your stationery business.

Factor 1 _____

Factor 2 _____

Factor 3 _____

3

Marks

PA

11. (a) Gregor Mackintosh and your stationery business are small businesses. Identify **2** features of a small business.

Feature 1 _____

Feature 2 _____

2

- (b) (i) Gregor Mackintosh took on 3 employees to prepare for expansion. In the future, you may take on extra staff in your stationery business. Tick (✓) this type of growth in the table below.

	Tick (✓) the correct box
Internal Growth	
External Growth	

1

- (ii) Give **one** reason why people might choose to work in your stationery business.

1


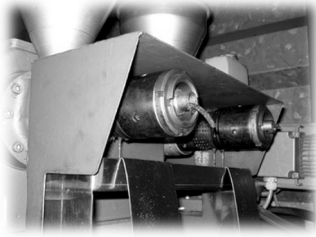

- (c) Suggest **2** external ways of expanding your stationery business.

Suggestion 1 _____




Suggestion 2 _____

2

12. (a) Study the pictures below which show the **input**, **process** and **output** system for Gregor Mackintosh.

		
Input	Process	Output

Complete the table below to identify the picture that shows **input**, **process** and **output** for your stationery business.

3

(b) Gregor Mackintosh checks the oil at every stage of the production process. Suggest **one** reason why you should regularly check your production process.

Reason _____

1

[Turn over for Question 13 on Page fourteen

Gregor uses ICT in his business.

13. (a) Suggest a suitable **software application** that can be used to carry out the following tasks for your stationery business.

Use a different software application for each task.

Task	Software Application
Producing graphs and charts from sales figures.	
Allows you to advertise and sell your product worldwide.	
Produce a slide show presentation.	
To prepare a business letter.	

4

- (b) Suggest **one** advantage and **one** disadvantage of using ICT in your stationery business.

Advantage _____

Disadvantage _____

2

(60 marks)

[END OF REPORT]

NATIONAL
QUALIFICATIONS
2012

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



business@work ***Report***

Pupil name _____

Business name _____



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.

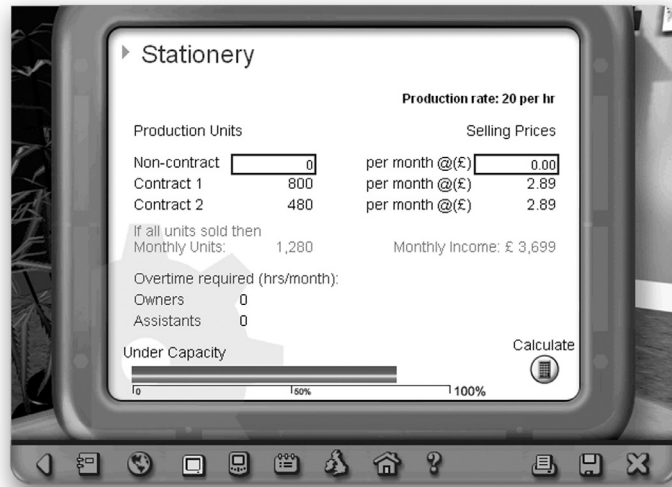
- Section 1—USING ***business@work***
- Section 2—THE BUSINESS PLAN
- Section 3—IN THE FUTURE

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

SECTION 1—USING business@work

Marks PA

The following tasks relate to the use of the Production Planner.



1. State how you access the Production Planner.

Click on the PC/PC icon on the tool bar (1 mark)

Click on the Production Planner (1 mark)

2

2. Complete the table below using the word bank.

Use each term only once.

The first one has been done for you.

Production Rate	Capacity	Overtime Required	Monthly Income
-----------------	----------	-------------------	----------------

Definition	Term
Extra time worked beyond the normal hours of employment.	<i>Overtime Required</i>
The amount that can be produced using all the resources.	<i>Capacity</i>
The amount of money received per month for goods sold.	<i>Monthly Income</i>
The number of units that can be made within an hour.	<i>Production Rate</i>

3

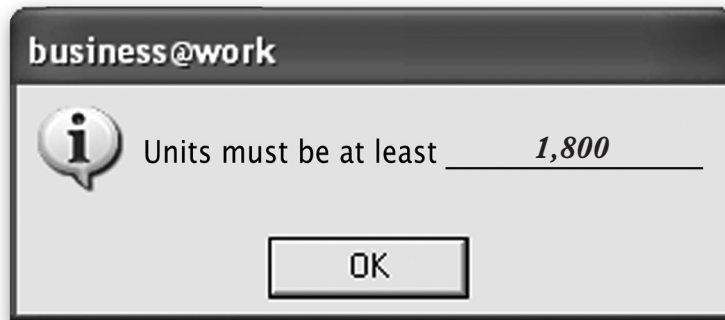
3. Use the Production Planner in *business@work* to enter the number of Non-contract units being produced and the Selling Price shown below. Record your results in the table below.

Non-contract Units	Selling Price	Total Monthly Units	Monthly Income
2,000	£3.00	3,280	£9,699
3,200	£2.75	4,480	£12,499

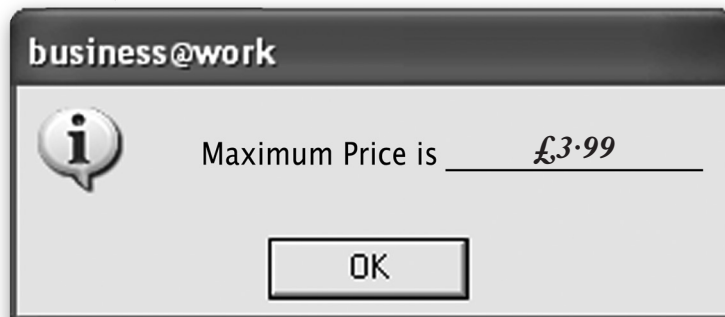
4

4. (a) Use the Production Planner to enter **1,000 Non-contract units** being produced. Complete the pop up message below.

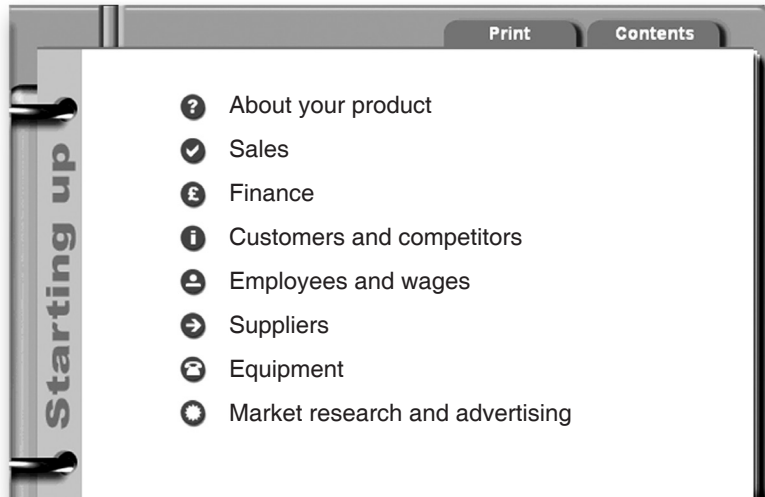
Award 1 mark for completing each cell.



- (b) Use the Production Planner to enter the **Selling Price £5.00**. Complete the pop up message below.



2



5. (a) The Production Planner shows Contract 1 and Contract 2. From your Start-up File, identify **2** fixed contracts.

	Tick (✓) the correct answers
Mereside Young Peoples Project	✓
Prestige Print	
Tuffnell & Continino	✓
Stop Press!	

2

- (b) Using the Start-up File, complete the table below. **The first one has been done for you.**

Statement	Start-up File Heading
All of your stationery sets will be made to order.	<i>About your product</i>
You have received an enterprise grant of £5,000.	<i>Finance</i>
It will cost £1.70 to buy raw materials for each stationery set.	<i>Sales</i>
Rate of pay for overtime hours.	<i>Employees and wages</i>
Credit terms are 30 days.	<i>Suppliers</i>

4

SECTION 2—THE BUSINESS PLAN

Marks

PA

6. The Production Planner helps you to make calculations.

(a) Identify the other tool within *business@work* that could be used for calculating.

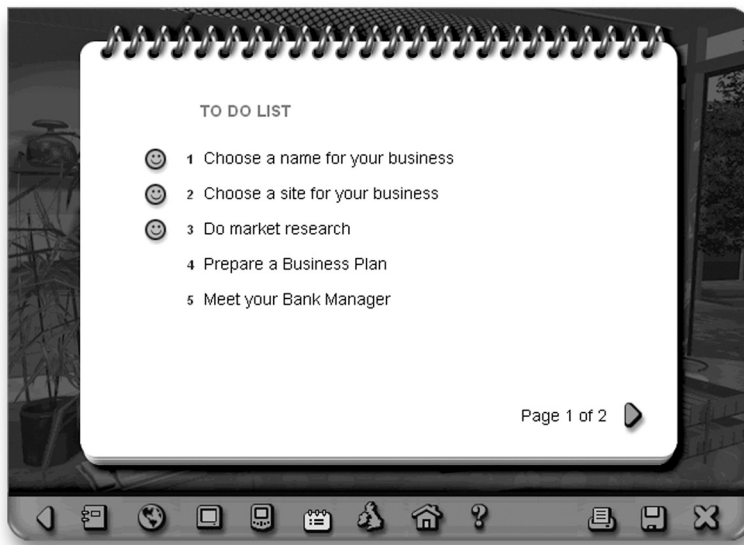
Tool *PDA*

1

(b) Other than calculating, identify one use of this tool.

Use *Keep notes;
make lists;
record figures;
any other reasonable suggestion*

1

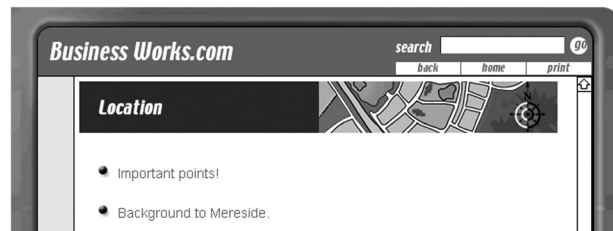


7. (a) Print the page from the *businessworks.com* website that gives you information about site/choosing a location.

	Attached
--	----------

1

Award 1 mark for the appropriate printout



(b) *businessworks.com* contains information on choosing a location. Match the headings to the correct statement.

Heading	Statement
Important Points!	Mereside has 5 districts, Burnside, Parkview, Westgate, Blackford and Kelty.
Background to Mereside	You must consider finance, premises, competition, customers and image.
About the district	The main commercial and industrial employers include Cashil's and Kintore Plc.
Local industry	Mereside is a busy market town with a population of approximately 200,000.

4

Marks

PA

8. (a) Using **your own Business Plan**, complete the information for each section.

(i) Site Chosen *Site 1*
Site 2
Site 3
Site 4 _____ 1

(ii) Reason for choosing your site *Near to customers*
close to suppliers
availability of labour
or any other appropriate reason _____ 1

(iii) Selling Price for non-contract sales *Min £2.49*
Max £3.99 _____ 1

(iv) How much will you spend on advertising *£0*
£100
£200
£300
or £400 _____ 1

(v) One of your competitors *Prestige Print*
The Publishing House
or Stop Press! _____ 1

(vi) Supplier *Glendale's* _____
_____ 1

Candidates will have different responses. Check answers against candidates Business Plan.

8. (continued)

Marks PA

(b) When completing the Business Plan it is important that you understand the elements of the marketing mix.

Using the word bank below, complete the table.

Price	Product	Place	Promotion
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Description	Marketing Mix Element
A good or service offered to customers.	<i>Product</i>
The amount of money customers have to pay for a good or service.	<i>Price</i>
Bring the good or service to the attention of buyers.	<i>Promotion</i>
Making sure that your good or service is available to customers where they want it.	<i>Place</i>

4

[Turn over

9. (a) After completing your Business Plan, print a copy of your **Trading, Profit and Loss Account**.

	Attached
--	----------

1

Award 1 mark for the appropriate printout. The printout will be 2 pages.

- (b) Using the printout, highlight the Gross Profit figure and the Net Profit/Loss figure.

	Gross Profit figure highlighted.
	Net Profit/Loss figure highlighted.

2

- (c) Reducing costs improves your profit. In the table below, identify **2** costs that you could reduce in your stationery business.

	Tick (✓) 2 costs
Sales	
Postage	✓
Telephone/Fax	✓
Grant	

2

SECTION 3—IN THE FUTURE

Marks PA



Gregor Mackintosh had the idea of creating a new business producing Extra Virgin Oil.

Gregor produces and bottles the oil on his family's farm using a process that involves cold pressing the rapeseed. He checks the oil throughout the production process. His range includes garlic and lemon flavoured oil.

He started the business in 2009 and spent the first 12 months running it on his own. After gaining a good response to the product in farm shops, he took on 3 employees to prepare for expansion. The business continues to look to the future and has recently launched a website.



10. (a) Gregor Mackintosh is a young entrepreneur. Give 2 reasons for you becoming an entrepreneur in your stationery business.

- *Get rich/make a lot of money*
 - *To be your own boss*
 - *To develop an idea*
 - *Pursue an interest/hobby*
 - *Make a profit*
 - *To become famous/well known*
 - *Made redundant*
 - *Spotted a gap in the market*
- Or any other reasonable response*

2

(b) Gregor provides the **enterprise** for his business. This is one of the 4 factors of production. Identify the 3 other factors of production you will use in your stationery business.

- Factor 1 Land
- Factor 2 Labour
- Factor 3 Capital

3

11. (a) Gregor Mackintosh and your stationery business are small businesses. Identify 2 features of a small business.

- ***Owned (and often run) by one person, a sole trader***
- ***Owned and run between 2 and twenty people, a partnership***
- ***Tends to sell goods locally***
- ***Employs less than 50 people***
- ***Small number of outlets***

2

(b) (i) Gregor Mackintosh took on 3 employees to prepare for expansion. In the future, you may take on extra staff in your stationery business. Tick (✓) this type of growth in the table below.

	Tick (✓) the correct box
Internal Growth	✓
External Growth	

1

(ii) Give **one** reason why people might choose to work in your stationery business.

- ***To make money***
- ***Friendship/Companionship***
- ***Learn new skills***


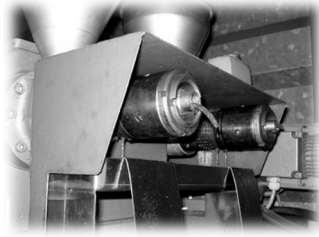

1

(c) Suggest 2 external ways of expanding your stationery business.




- ***Merger***
- ***Amalgamation***
- ***Takeover***
- ***Horizontal integration***
- ***Forwards vertical integration***
- ***Backwards vertical integration***

2

12. (a) Study the pictures below which show the **input**, **process** and **output** system for Gregor Mackintosh.

		
Input	Process	Output

Complete the table below to identify the picture that shows **input**, **process** and **output** for your stationery business.

		
<i>Output</i>	<i>Input</i>	<i>Process</i>

3

(b) Gregor Mackintosh checks the oil at every stage of the production process. Suggest **one** reason why you should regularly check your production process.

- *To ensure quality*
- *To make sure that packs are not faulty/bad*
- *To maintain business reputation*
- *To reduce waste*
- *To check on staff/machinery*
- *To fix faults*
- *To satisfy H&S requirements*

1

[Turn over for Question 13 on Page sixteen

Gregor uses ICT in his business.

13. (a) Suggest a suitable **software application** that can be used to carry out the following tasks for your stationery business.

Use a different software application for each task.

Task	Software Application
Producing graphs and charts from sales figures.	<i>Spreadsheet software</i>
Allows you to advertise and sell your product worldwide.	<i>Internet Website</i>
Produce a slide show presentation.	<i>Presentation software</i>
To prepare a business letter.	<i>Word processing software</i>

Accept examples of types of software, eg Word, Excel, etc.

4

- (b) Suggest **one** advantage and **one** disadvantage of using ICT in your stationery business.

Advantage:

- *more accurate than staff/neater than scoring out data*
- *reduced space than filing cabinets*
- *quicker than staff*
- *professional*
- *saves costs of employees*

Accept any 1.

Disadvantage:

- *purchase costs*
- *computer viruses*
- *need for training*
- *cost of updates*
- *computer can crash*

Accept any 1.

2

(60 marks)

[END OF EXEMPLAR ANSWERS/MARKING GUIDELINES]

FOR OFFICIAL USE

4200	ST
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INTERNAL ASSESSMENT

Flyleaf

NATIONAL
QUALIFICATIONS
2012

**BUSINESS MANAGEMENT
STANDARD GRADE**
Practical Abilities

Fill in these particulars.

Full name of centre

Centre number

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Forename(s)

Surname

Date of birth

Day Month Year

--	--	--	--	--	--

Scottish candidate number

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Final Grade for
Practical Abilities

(See B3 inside)

A Determination of Mark

1 Enter the candidate's mark for each question in the Report.

Foundation Level **Total Mark Available** **60**

Task	Candidate's Marks	Task	Candidate's Marks
1		8	
2		9	
3		10	
4		11	
5		12	
6		13	
7			

Candidate's marks total

Percentage of available marks

General Level **Total Mark Available** **60**

Task	Candidate's Marks	Task	Candidate's Marks
1		8	
2		9	
3		10	
4		11	
5		12	
6		13	
7		14	

Candidate's marks total

Percentage of available marks

Credit Level **Total Mark Available** **60**

Task	Candidate's Marks	Task	Candidate's Marks
1		6	
2		7	
3		8	
4		9	
5		10	

Candidate's marks total

Percentage of available marks

B Determination of Provisional and Final Grades

1 Enter provisional **grade**

2 Enter the **Final Grade**
(where different from provisional grade
an explanation must appear in the
Teacher's Comments section below)

Teacher's Comments (where appropriate)

(This section must **ONLY** be completed where the final grade has been affected by assistance given by the teacher.
Information on the degree and instances must be provided.)

3 The **Final Grade** for Practical Abilities should be entered in the appropriate box on the front page.

Teacher responsible _____

Date _____

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National Qualifications 2012

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 6.7 *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 1.1 (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 6.7.1 of the Arrangements.)

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

3 Assessment

Assess each report and record the marks on **Internal Assessment Flyleaf** for each candidate concerned in accordance with paragraph 6 7 2 of the Arrangements.

The following table shows the relationship between marks and grades.

Percentage of available marks	Foundation Level		General Level		Credit Level	
	45–60	5	45–60	3	45–60	1
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 2012, 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 F, G and C Reports.