

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. It is important to stress the importance of both stating the key message and then making sure that the letter provides adequate information for the recipients.

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 in content. It is important to stress the importance of stating the key message and making sure that the letter provides adequate information for the recipients.

Comments on specific tasks

Task 1

- (a) This task required the candidate to explain four reasons why it is important to communicate with its internal and external key stakeholders. The answers were generally vague and often repetitive. It was also noted that many candidates misread or misunderstood this task and focused their answers on shareholders instead of stakeholders.
- (b) The second part of the task was generally better answered although many candidates failed to read the task properly and gave general reasons for the importance of two-way communication rather than focusing on the part of the task that states 'during the implementation of the intranet'.

Task 2

- (a) This task required candidates to write a letter. Most candidates failed to produce a letter of an acceptable standard. Sometimes this was due to poor layout, but mainly because candidates failed to put themselves in the position of the receiver and ask themselves if they fully understood the message and, more importantly, did they have enough information to act on the letter. There were a couple of instances when candidates decided a letter was not appropriate and chose instead to write a memo. This meant they could not earn the marks.
- (b) This task asked the candidate to explain what is meant by an intranet and to identify two benefits of an intranet to the employees. The task was generally well answered. Many candidates omitted to say secure/password protected.

Task 3

- (a) Many candidates were awarded full marks for their examples of verbal and non-verbal communication.
- (b) Candidates generally answered this task adequately, although some candidates focused their answer on the content of financial presentation, instead of the general features of a successful meeting.

Task 4

- (a) This task asked candidates to explain what is needed to plan a recruitment/selection interview. Responses to this task varied greatly, with some candidates clearly explaining the key steps and features of each stage of the process. However other candidates gave very brief answers focused on the skill requirements of an IT technician (which is not what the task asked for).
- (b) This was generally answered well, although a lot of candidates did not appear to understand the purpose of grievance interviews.

Task 5

- (a) Candidates answered this task well, although higher marks would have been achieved if candidates had drawn each graphical visual aid and made clearer links to the financial information that these would be used for.
- (b) This task asked candidates to identify two examples of technology. This generally caused candidates no concerns, although some candidates failed to focus on specific examples.
- (c) Candidates were asked to list four headings of a business report. The task is set at a general level and gave the opportunity for four marks to be earned quite easily. However some candidates misread the task and listed topics of a financial report instead.

BUSINESS (STANDARD LEVEL)

Paper 8928/5163
Business Finance

Key messages

- 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.
- Centres and candidates are reminded of the need for precision when defining terms as vague responses will only attract low marks.
- 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.

General comments

It is pleasing to report that there appeared to be a slight improvement in the performance of the candidates who sat the October 2011 examination when compared to previous examination sessions. It was evident that the majority of candidates had managed their time effectively and as a result had produced reasonable responses to all of the tasks on the examination paper.

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 very strong with the majority of candidates able to provide sensible advantages and disadvantages of employing agents.

The answers to the part **(b)** were again strong with most candidates being able to explain the differences between the two types of shares.

The answers to parts **(c)** were generally good with the majority of the candidates scoring high marks.

The answers to part **(i)** were the weakest with many vague statements but the answers to parts **(ii)** and **(iii)** were much better

The answers to parts **(d)** were rather weak with many candidates confusing the margin of safety with the gross profit margin. Even where the candidates did know what the term meant they did not provide sufficient detail to achieve the full mark award.

The answers provided for part **(e)** often lacked clarity and as a result only achieved low marks.

Task 2

Overall the responses provided for this task were inconsistent with few candidates scoring high marks.

The answers to part **(a)** were generally good, with most candidates being able to explain both the legal and financial consequences of incorporation

Similarly, the answers to part **(b)** were quite good, with most candidates being able to put forward sensible suggestions as to why the directors would wish to form a company and what types of problems they might face as a result of doing so.

The answers given for part **(c)** were weaker. Although most candidates knew what was meant by a prospectus, fewer candidates could provide a reasonable answer regarding the use of a private placing.

Task 3

Overall the responses provided for this task were quite good with many candidates scoring reasonable marks.

The answers to part **(a)** were good with most candidates being able to describe double entry bookkeeping. However, candidates lost marks because they omitted to provide an example, or their example was incorrect. Centres are urged to ensure that future candidates are capable of providing such examples.

The answers to part **(b)** were good with most candidates being able to provide valid examples of both financial records and books of account.

The answers to part **(c)** were inconsistent with some candidates scoring maximum marks whilst others scoring low marks because they provided vague explanations.

Task 4

Generally the answers to this task were disappointing with the majority of candidates producing answers that achieved low marks.

Candidates appeared to disregard the fact that eight marks were available for producing a correctly formatted balance sheet. Common errors included not providing a title and not including named sub-totals. Centres are urged to ensure that future candidates are capable of presenting a document that is correctly formatted.

Candidates also lost marks because their answers had incorrect balance entries and in many cases there was no overall balance. This should have indicated to them that mistakes had been made, but there appeared to be little effort to address this issue.

Task 5

The answers provided were generally good with the majority of candidates achieving high marks.

The answers to part **(a)** were generally good with most candidates being able to identify relevant stakeholders for each category.

The answers to part **(b)** were weaker with many candidates being able to select appropriate stakeholders, but the explanations given for how they would use the information tended to be poor.

BUSINESS (STANDARD LEVEL)

Paper 8928/5164

Marketing

Key message

- There are still areas of the syllabus that cause problems for the majority of candidates, and teachers can help by ensuring that all topics are covered each session. Not only can past paper questions be useful in helping candidates with their exam technique, but also asking candidates to bring examples of marketing that they come across in their day to day life can be useful in helping them to recognise marketing applied in different contexts.

General comments

It is pleasing to report that some candidates achieved very good marks this session. Examiners report that good candidates know the syllabus well, and are able to identify the relevant concepts required by each task. There is a requirement to apply their knowledge of the syllabus to the content of the Case Study, and good candidates can gain high marks from doing so appropriately. This session the Case Study was based on a company that specialises in personal washing and bathing products.

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

Comments on specific tasks

Task 1

- (a) In this opening task many candidates did well in defining the term 'marketing'
- (b) The second part of this task proved difficult for some candidates. Three marketing functions were identified in the task, which then asked candidates to write about ways in which these functions helped the organisation to meet its objectives. Candidates need to explain the function, with reference to the situation in the Case Study, and then to expand on its role in terms of being recognised for innovation (by developing new products), communicate with many stakeholders (using public relations), and improving sales and profits by being consistent in branding (through maintaining brand values).

Task 2

This task explored the role of marketing research, and specifically in terms of customers' views on climate change.

- (a) This part of the task was generally done well. Most were able to define the term marketing research.
- (b) This part of the task asked candidates to explain three different research methods that the company could have used to gain customers' views. Most were able to do this well, although some were not able to identify specific methods that were relevant to the objective. The most suitable methods were focus groups of existing customers, email questionnaires to existing customers and secondary research into consumer trends in buying eco-friendly products. However, examiners were flexible in their marking and rewarded any relevant method that was explained and justified.
- (c) This final part of the task asked for two differences between primary and secondary research. Generally this was done well. However, some were only able to explain one difference and others

explained three or four differences. Full marks are difficult to achieve in both of these cases, and candidates should be encouraged to read the task carefully.

Task 3

- (a) This part of the task was generally done well. However, some explained what segmentation involved without explaining why it is important.
- (b) This part of the task required candidates to explain demographic segmentation. Many did this well, and were able to identify that Royal Satin produces products for different age groups and different genders.
- (c) This part of the task asked candidates for a simple list of three sources of secondary research that might have been useful to the company to help them segment demographically. Most were able to do this well, although some did not identify three and so could not access all the marks.

Task 4

This task assessed various parts of the marketing planning process. Those who attempted this task generally did well, although some did not answer with clear explanations of the stages as was requested by the task.

- (a) This first part of the task asked candidates to identify which PEST factor included the trend towards caring for the environment. Although the trend would be a social factor, examiners were flexible in awarding marks for relevant explanations linked to the Case Study.
- (b) This part of the task focused on the framework for SMART objectives and asked how each element of the SMART framework was evidenced in a particular objective that was stated in the task. Many candidates simply described what each letter in the framework stands for, and so were not able to earn full marks. Candidates can improve their responses to tasks by reading the task carefully and ensuring it is addressed in full.
- (c) Strong candidates were able to explain two ways that progress can be monitored. However, this continues to be an area of the syllabus where candidates struggle. Teachers can help learners by giving them examples of SMART objectives and asking them to identify how progress would be monitored and success can be measured.

Task 5

This final task assessed the candidates' understanding of the competence relating to the importance and impact of elements of the marketing mix. On this occasion, the task linked to the Case Study, and asked specifically about the marketing communications mix and also about the product element of the mix.

- (a) This part of the task asked for a description of the five elements of the **promotional** element of the mix. This was an area where many candidates made the mistake of writing about the marketing mix even though the term marketing communication (promotional) was underlined in the task. Candidates must be encouraged to read the task carefully before answering.

Although some candidates could describe advertising, sales promotion, public relations, personal selling and direct marketing generically, candidates need to relate their answers to the specifics of the Case Study and the task. Candidates should aim to gain a wide knowledge across the promotional mix.

- (b) This final part of the task asked how the product element of the marketing mix in Royal Satin is kept up to date through innovation. There was evidence in the Case Study of research being undertaken and of the fact that, not only is the company recognised for its innovative approach, but also that it regularly develops and introduces new products to its range.

Many candidates attempted and did well with the answer to this part of the task.

BUSINESS (STANDARD LEVEL)

Paper 8928/5165
Human Resource Management

Key messages

- Bullet points have been used by some candidates in their answers. Whilst candidates are not required to submit detailed essay-type answers if they do use bullet points then they must ensure that they include enough detail to demonstrate that they have fulfilled the requirements of the task.
- Lengthy and focused answers are more relevant to those tasks that offer more than six marks and better candidates recognise this. More able candidates also took more notice of the instructions in tasks and generally provided short answers to tasks that simply ask for a 'List' whilst providing more lengthy explanations to those tasks asking for explanations or definitions.

General comments

Most candidates were able to show evidence that they had a good understanding of all areas in the syllabus. Apart from a very few instances of candidates clearly being unprepared almost all of the candidates were able to access this paper. The majority of candidates demonstrated good knowledge and many were also able to expand their answers by making appropriate reference to the information contained in the case study. Whilst some candidates still need to improve their examination technique overall there was an improvement in candidates ability to apply their knowledge to specific situations.

Candidates overall did take account of the marks available in each part of the task when determining the depth and scope of their answer.

The best candidates provided the most appropriate answers because they had clearly taken the time to read both the case study and the accompanying tasks carefully. Well answered tasks would often refer to specific sections from the case study in the interpretation and analysis of the tasks. Top level candidates were able to show they understand the importance of context by applying their knowledge to the case study.

Overall candidates did manage their time well and only the very weakest and unprepared candidates were unable to complete all the tasks within the allotted time. 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 distinguishing between the meaning and the purpose 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.
- (b) This was quite an open task intended to give candidates an opportunity to show how HRM can improve efficiency and effectiveness. This was very well answered showing a good awareness of the role of HRM in a successful organisation. The most able candidates gained extra marks by applying their answer to the practices at Temporary Construction Staff (TCS) as outlined in the case study.
- (c) Candidates needed to apply their knowledge to the activities at TCS and explain how the firm had **changed from a centralised approach to a decentralised one**. Generally candidates were able

to recognise the information from the case study and at least quote the relevant section. Overall candidates showed good skills in relating their theoretical knowledge to the case study by identifying the changes. The best candidates **described how the changes in specific roles and responsibilities would affect the firm.**

Task 2

- (a) Candidates were asked to list four features of any employment market. This task was completed to a suitable level by nearly all candidates. Acceptable answers were **age, gender, full-time, self-employment, skill levels, and sectors**. Any additional information provided by candidates was ignored as unnecessary.
- (b) Most candidates were able to **explain typical trade union functions such as; negotiate for contracts, represent workers, negotiate pay and conditions** which was sufficient for a Pass grade mark. More able candidates achieved higher marks by referring to the case study and the need for employees to seek protection **against the bullying tactics of Kim, ending the policy of instant dismissal and/or ensuring the minimum wage rate was paid.**
- (c) Candidates that were able to quote the relevant laws in such areas as **contracts, minimum wages, equal opportunities, paternity/maternity, health and safety** were awarded Pass level marks for this task. The task did differentiate between different levels of candidate ability, Pass level candidates generally provided answers that were very generic, or simply lists, without any reference to the case study. Better candidates made specific reference to the those areas where TCS were not following the law such as **the poor quality of tools provided, failing to pay the minimum wage and the threat of instant dismissal.**

Task 3

- (a) Nearly all candidates were able to list four types of employment contract; **full-time permanent; full-time temporary; part time; fixed term; for services; contracted out; casual**. 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) Descriptions of how the contract should have been ended required a description of the **process of giving the worker more than one warning; usually verbal warnings followed by written warnings before dismissal**. Answers simply listing the different methods of ending contracts were not required. More marks were awarded to those candidates that attempted to apply their answer to the situation at TCS or **mention offences where instant dismissal is justified e.g. violent conduct, theft.**
- (c) Almost all candidates were able to describe most of the activities involved in the recruitment and selection process; **recruitment includes purpose, job descriptions, person specifications, applications forms, and suitable media. Selection includes letters of application, CV's, applications forms, references, tests, interviews**. Pass level marks only were awarded where candidates merely provided lists or basic explanations. Candidates who made reference to implications of the **unskilled workers at TCS or the requirements of the construction industry** in general earned higher marks.

Task 4

- (a) The four ways for organising working patterns should have included items such as **flexitime; shift work; day work; night work; days on/days off; fixed periods of work**. Many candidates confused this task with **Task 3(a)** and few candidates gained all four marks. Candidates should recognise that there are unlikely to be two tasks requiring the same answer on the same examination paper.
- (b) Candidates were generally able to explain **how a shift system would operate or provide quotes from the case study** for Pass level marks. Distinction level candidates also explained other factors linked to shift systems at TCS **including less tiredness (no overtime)/ higher wages for anti-social hours.**

- (c) A Pass level answer would explain the individual problem solving mechanisms that could be used such as ***grievance and disciplinary procedures***. Good answers provided more detailed explanations of each of these items and also explained the ***formal group methods (committees, workers councils)***. Distinction level candidates linked their answers to the problems at TCS such as ***Kim's attitude and the difficulties in having workers operating at different locations***.

Task 5

- (a) Again a well answered task and virtually all candidates were able to list four methods of payment. Acceptable answers included ***salaries; wages; fixed rates; piece work; payment by results; bonuses; profit sharing; pensions; share option schemes***. A significant number of candidates also selected ***fringe benefits*** which were not accepted as being a method of payment.
- (b) Most candidates identified ***wages as being the most appropriate method of payment*** for workers at TCS. Higher marks were awarded where candidates provided clear justifications of this choice. Top marks were awarded to candidates who recognised the need to ***encourage workers to meet deadlines*** and therefore recommended methods including some ***element of bonuses or piece rate***.
- (c) Candidates were required to describe a training plan for TCS. Pass level candidates answered this by explaining training methods including; '***on the job, off the job and induction training***'. Most candidates were able to provide a detailed enough explanation of these methods to earn marks at Pass level. More able candidates gained extra marks by also recognising the special importance of ***induction training for new employees that included other factors; company policies and procedures, health and safety, complaints/grievance procedures at TCS***. The Distinction level candidates also explained how other types of training were of less value to TCS as most employees ***were unskilled and therefore would require little, if any, training***.

BUSINESS (STANDARD LEVEL)

Paper 8928/5169

Business Organisation and Environment

Key messages

Teachers are strongly advised to address the subject of **examination technique** when preparing their candidates for the examinations. It remains a concern to Examiners and still inhibits the award of higher marks for many candidates.

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

They should:

- **read and make sure that the Examiner's instructions are clearly understood;**
- focus on the essentials of each task or task;
- **relate the length of the reply to the number of marks available for that task, Examiners have seen too many candidates write long answers to 1 or 2 mark tasks;**
- manage examination time sensibly.

They should NOT:

- **copy out the tasks or tasks; this is still seen in a few cases 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.

Other points to bear in mind include:

- (i) The invigilator must emphasise that 15 minutes' reading time is provided in order to help candidates become acquainted with the contents of the examination paper.
- (ii) **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.
- (iii) 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 a sufficiency of detail to demonstrate to the Examiner that they understand the tasks.
- (iv) Candidates are mostly asked to describe or explain, and a typical failing is an insufficiency of description or explanation. Bullet points will usually **not** earn good marks.
- (v) The majority of candidates sit the examination in a second language and incorrect spelling and grammatical errors are **not** taken into consideration. The demonstration of business knowledge is much more important than the quality of written language. However, it must be emphasised that a very poorly expressed answer, especially one which expects the Examiner to guess the candidate's meaning and intention, may not be marked very favourably.
- (vi) 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 Everything Plastic Ltd, a manufacturer of plastic goods, with major customers being car manufacturers.

Task 1

- (a) The task emphasised that the objectives should be when the business first started. Good answers such as making a profit and obtaining a set market share were commonly seen. Others could have been survival (always critical to a newly formed business), growth or obtain a good reputation. Provide employment would have been a consequence, but not an objective of EPL, although it should have been an objective of government.
- (b) This just required the four factors of Land, Labour, Capital and Enterprise. No explanations were required as the task just asked the candidate to **state** the factors.
- (c) Advantages such as limited liability and the ability to raise capital by issuing more shares were expected. Continuity of the business was also commonly seen. Many candidates did not gain high marks because they demonstrated knowledge of the advantages, but did not compare these advantages with the position in a partnership.
- (d) The advantage of not taking a loan was realised by many candidates. This led to less expense to the business and therefore more profits. If new capital was not needed there would be no chance of dilution of control. Many candidates went into detail on how good expansion would be, and the various forms that expansion could take, but this was not what the task asked for.

Task 2

- (a) Advantages included less costs due to fewer Supervisors, more independence for employees and easier supervision if jobs similar. Disadvantages included less supervision leading to more mistakes and more stress for the Supervisors. Many candidates gave generic answers instead of relating to production. Many answers related to the effect on communication, but were generally not clear.
- (b) Many candidates realised this could cause problems and confusion, but were not specific on the problems that it would cause the Human Resources Manager. The problems of prioritising and of receiving conflicting views were seen in some cases.
- (c) Most understood a narrow span of control, but did not apply it to the Finance Department of EPL. The chances of fewer mistakes, or of preventing fraud, were not appreciated by many candidates. Another effect would possibly be lower morale due to less independence for employees.
- (d) This task was generally well answered with the interdependence of the various departments well understood.

Task 3

- (a) Generally well answered. Some candidates did not distinguish between a casual worker and a temporary worker hired on a contract.
- (b) Again well answered, even by those who struggled with the definition in **3(a)**. Flexibility is an important advantage to EPL.
- (c) Many candidates gave generic suggestions without applying them to the case study. High quality of work was often seen, although lower turnover of employees and lower recruitment and training costs were seen less often.
- (d) Monetary rewards were often given despite the task specifically excluding them. Many candidates however, successfully outlined some fringe benefits and other incentives such as promotion and holidays.

Task 4

- (a) Many candidates realised this meant a severe slowdown in economic activity, but a reference to a drop in GDP was almost never seen.
- (b) Most candidates realised that the closeness to a port made exporting easier, but many did not realise the positive effect on the cost of importing raw materials. Some candidates just copied all, or part of, lines 21-24 of the case study, which did not gain many marks.
- (c) Well answered with most candidates realising the importance of employment to the Indian Government. Financial help, at a time when other lenders may be reluctant, was also seen as a possible answer.
- (d) While some candidates just repeated the appropriate phrase from the case study, many also detailed the effect long term contracts may have on EPL's profitability, in a situation where the increase in oil prices could not be passed onto the customer because of the contract.

Task 5

- (a) Credit terms were only understood by a minority of candidates, and most excluded the competitive element of the task. Most businesses sell on credit specifying that payment must be received within a certain period, often 30 days. If competitors of EPL were allowing longer periods than 30 days, then EPL may well have to match or improve their period, in order to receive the contract.
- (b) A well answered task, with the importance of quality, discounts and communication being emphasised in many answers.
- (c) Generally not well answered with some candidates not addressing international markets at all. Some did realise the advantage of a much wider customer base, and the spread of risk as all countries would not necessarily be in the same economic situation. Exporting also helps to stimulate the Indian economy and help it to grow.
- (d) Well answered with many candidates realising the importance of quality, reliability of delivery and the reputation of EPL.