

# 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 task paper was clearly worded and marks shown for each part of the task. Candidates should not have experienced any difficulties in interpreting what was required of them. It is clear that letter writing is still an issue and needs greater focus in learning sessions. Also candidates must fully read the task rather than write answers for what has not been asked.

## Comments on Specific Tasks

### Task 1

Many candidates struggled with this task. Mostly, answers were vague. Some candidates clearly had not read the task properly. However some candidates managed to achieve high marks.

- (a) This task required the candidate to consider four methods of external communication other than the website. Many of the candidates listed four methods but were unable to expand their answer. A small number of candidates included website into their answer.
- (b) Candidates were asked to explain three reasons why communication is important between the company and its stakeholders. A number of candidates were unable to list who the stakeholders were.
- (c) The candidates were asked to identify three ways in which the communication process could be evaluated. Those candidates who were prepared were able to achieve full marks on this task.

### Task 2

- (a) Letter writing still seems to be presenting challenges to candidates. Overall, many candidates managed to include the right amount of detail, but very few candidates understand what constitutes the correct format of a business letter.
- (b) The second part of this task asked candidates to give one advantage and one disadvantage of video conferencing and teleconferencing. Some candidates did not access all available marks because they just provided one advantage and one disadvantage and did not go on to state which it was for.

### Task 3

- (a) There were a number of candidates who were unable to list six elements of a successful meeting.
- (b) Most candidates could not explain the term 'virtual channels' of communication.
- (c) Very few candidates correctly identified examples of formal groups.

The answers for **Task 3** are outlined in the syllabus.

#### **Task 4**

- (a) Overall most candidates answered this section well, although there were some candidates who did not know what a grievance interview was.
- (b) This task asked for a list of what is needed to plan for a medical interview. Many candidates answered the task as though it was a selection interview. Candidates had not read the task correctly.
- (c) The candidates were asked to list four purposes of research and development interviews. Answers were rather vague.

#### **Task 5**

- (a) This task was generally well answered, although some candidates decided to present the bar chart based on divisions rather than names of staff. Marks were not accessed as legend descriptors were missing. This is again an example of where the candidate did not read the task correctly.
- (b) Descriptions, advantages and disadvantages of line graph, pie chart and table were generally vague.

# BUSINESS (STANDARD LEVEL)

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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 terms cannot attract the higher order marks and if the task requires that examples are to be given, then they must be provided.
- 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 October 2013 examination appeared to be similar to that seen in previous examination sessions. The majority of candidates appear to have a reasonable knowledge of the subject matter and they appear to understand what is required in order to be successful. There was clear evidence that the majority of candidates had managed their time well and had attempted 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 provide evidence of their workings as this can 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

- (a) (i) The answers provided for this task were satisfactory with most candidates being able to explain what is meant by the three terms. However the task required that the relationship between the terms was explained and this was not always shown in the answers.
- (ii) The answers to this task were generally good with most candidates capable of explaining the concept of double-entry accounting. The examples that were provided to illustrate the answers could have been clearer and this would have led to higher marks.
- (b) (i) The answers to this task were very good with the vast majority of candidates providing a clear and complete explanation of the term.
- (ii) The answers to this task were rather inconsistent with some candidates tending to repeat their answers to part (i) whilst others were able to consider the wider consequences of the term liquidity and the importance that liquidity plays in business success.
- (c) (i) The answers to this task were rather disappointing because candidates tended to concentrate on explaining what is meant by a hire purchase agreement rather than providing an advantage of employing this method of financing business expansion.

- (ii) The answers to this task were satisfactory with most candidates being able to explain what is meant by a trademark. The issue of how a trademark is treated in the accounts was not always well explained well and this led to lower marks being awarded.

## Task 2

- (a) Overall the responses to this task were good with most candidates showing that they understood the nature of the break-even level of output. Candidates should be reminded that it is essential to provide a formula at the outset to demonstrate how they are going to complete the calculation as this will allow them to score marks even if they do not complete the calculation correctly.
- (b)(i) The answers provided for this task were very satisfactory with the vast majority of candidates showing that they clearly understood the consequences of operating at a level of output below break-even level.
- (ii) The answers provided for this task were very satisfactory with the vast majority of candidates showing that they clearly understood the consequences of operating at a level of output above break-even level.
- (c) Most candidates made a reasonable attempt to answer this task. The task required candidates to explain how the changes in both revenues and costs would impact on the original break-even point. The most successful answers involved providing a revised calculation and future candidates are urged to adopt this approach.

## Task 3

- (a) The answers to this task were rather poor with most candidates concentrating solely on the registration procedures associated with forming a limited company. Better responses involved looking at the wider legal issues of incorporation e.g. the concept of separate legal entity and shared ownership. The mark tariff for this task indicated that these wider issues should have been included.
- (b) The answers to this task were generally good with most candidates showing that they appreciated the financial advantages and disadvantages of incorporation. Weaker candidates often provided answers that were related to the formation of a public limited company which was not relevant to the task asked.
- (c) The answers to this task were good with most of the answers providing relevant, well explained examples of the duties of a company director.

## Task 4

- (a) The answers to this task were rather disappointing with only a minority of candidates being able to provide a correctly formulated Income Statement. Often this meant that they could not make overall correct balancing figures and they therefore could not access all the marks. Centres are urged to address this problem in the interests of future candidates.
- (b)(i) The answers to this task were generally poor with many candidates appearing to be unaware as to how to undertake the calculation. A minority of candidates used an incorrect formula to complete the calculation.
- (ii) The answers to this task were generally poor with many candidates appearing to be unaware as to how to undertake the calculation. A minority of candidates used an incorrect formula to complete the calculation.

## Task 5

- (a)(i) The answers to this task were generally good with most candidates showing that they understood what is meant by the books of prime entry. Candidates could have improved their marks if they had provided more relevant examples of the prime books.
- (ii) The answers to this task were generally poor with many candidates simply repeating their answers to part (i) rather than showing how the books contributed to the accounting process.

- (b) (i)** The answers to this task were generally good with most candidates showing that they knew what is involved in drawing up a trial balance. Weaker candidates tended to confuse the trial balance with a balance sheet and therefore could not access all marks.
- (ii)** The answers to this task were generally good with most candidates able to explain that the trial balance is used to check for errors in the accounting process and can be used to summarise large amounts of data.
- (c) (i)** The answers to this task were generally good with most candidates showing that they understood what was involved in producing a cash flow statement and what is shown in this statement.
- (ii)** The answers to this task were generally poor with many candidates providing vague responses that did not clearly explain how the three documents are related. A few better responses attempted to explain the relationship by using a numerical example and this approach resulted in them receiving higher marks.

# BUSINESS (STANDARD LEVEL)

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Paper 8928/5164

Marketing

## Key Messages

- Teachers can help candidates to learn the whole of the syllabus in more depth before taking this examination, so that they can answer more correctly and appropriately for the situation described. There are many ways to do this – for example, by linking the teaching of a specific area of the syllabus to a practical activity or Case Study.
- Another approach might be to use Past Papers to show the various elements required by each Task and to lead a discussion about how marks are allocated.

## General Comments

Once again there are mixed results for this paper this session. Good candidates know the syllabus well, and are able to identify the relevant concepts required by each task. They also apply these concepts to the material in the Case Study. Some candidates were able to give very good answers indeed, and demonstrate strong understanding.

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

## Comments on Specific Tasks

### Task 1

- (a) This first part of this task looked for candidates to explain the term relationship marketing as a combination of quality, marketing and customer service. Many candidates did this part of the task well.
- (b) This part of the task proved more difficult to candidates. Marks were available for four benefits that relationship marketing could offer to Timber Supplies Company. There are several benefits that are relevant to the Case Study, and many were able to identify four relevant benefits. However, few explained the benefit to gain higher marks.

For example –

- (i) One benefit of relationship marketing is that it will help retain existing customers. **(1 mark)** Timber Supplies current customers are from an affluent segment. **(1 mark)** The fact that they are fairly affluent means that Timber Supplies can charge premium prices for a quality product or service **(1 mark)** and if they were to lose these customers it would have a major impact on profits. **(1 mark)**

This would then need to be repeated for three more benefits.

### Task 2

This task was about marketing research and was generally done very well, with a few candidates achieving full marks.

The first part of the task required a list of the stages of the market research process and most candidates completed this.

The second part of this task was generally well done, with most candidates able to identify three sources of secondary research. This part of the task required a direct link to the content of the case study. Candidates needed to select sources of data that were relevant to the decision about expanding into Singapore. Some candidates needed to make these links in order to gain higher marks.

### Task 3

This task also explored marketing research and then went on in parts **b** and **c** segmentation that was relevant to the Case Study.

- (a) This part of the Task was done very well.
- (b) Most candidates can define segmentation well and so gain full marks for this part of the Task.
- (c) This part of the Task asked candidates to describe one of the segments that Timber Supplies can target. Some were able to describe either the existing segment or the new segment in Singapore very well and link their description to the theoretical bases for segmentation used.

### Task 4

- (a) This first part of the task was generally done well, with most candidates explaining what the economic factors are in the Case Study.
- (b) The quality of answers to this part of the task varied greatly. Some candidates were able to explain the elements in the marketing plan well, although few were able to explain what control mechanisms are in a marketing plan. The need to monitor progress against the plan and also measure whether or not it is successful is extremely important.

Candidates need to write more than one short sentence in explanation to gain four marks. Teachers can help candidates to write expanded explanations through the use of group activities. For example, if candidates are asked to write down one fact about control mechanisms and these are then shared, there should be a number of facts discussed, and this will help their answers in the Exam.

### Task 5

Candidates were asked to recommend ways in which the five tools of the promotional mix for a specific target market.

Some candidates responded with five of the seven Ps, and were therefore only able to gain three of the marks. Candidates need to read the Task carefully.

Some candidates were able to describe the five tools, or some of the five tools, in a very general way. Candidates need to apply their answers to the context of the Task.

Some candidates were able to apply some of the tools very well, but missed one or two of the tools. Candidates need to know the full syllabus and read the Task well.

The second part of the task appeared to be slightly more of a challenge, and although many candidates responded well in terms of ways that the product element might need to be changed, some focused completely on price, and this was only able to attract low marks.

# BUSINESS (STANDARD LEVEL)

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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 task. 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 4 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.
- 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

Most candidates were able to demonstrate a good level of understanding and knowledge of the subject. Almost all candidates were able to provide evidence of some knowledge of the full range of topics covered in the syllabus. None of the candidates were attempting the examination without any obvious preparation. There were very few instances where candidates were not able to attempt all tasks on the examination paper. A significant number of candidates made use of the case study to submit more informed answers that demonstrated an ability to apply their knowledge.

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) Candidates generally recognised what the ‘meaning of HRM’ is and gave quotes to earn Pass marks, whilst the more able candidates were able to add the extra element referring to relationship between organisations.
- (b) Most candidates were capable of explaining the purposes of HRM as requested. Very few candidates were unable to gain at least Pass marks for listing *right mix of skills, controlling wage and salary costs, ability to react to change*. Most candidates gained the extra marks by also listing *Support or Social costs* and explaining the purposes rather than simply providing lists.
- (c) 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.

## Task 2

- (a) Few candidates were able to produce a list of four influences of technical change although many did identify the need for **retraining** and possible **redundancies**. Any additional information provided by candidates was ignored as it was unnecessary.
- (b) Candidates that were able to produce a very basic answer that identified **trade unions, employers agencies and government agencies** were awarded Pass marks. Most candidates achieved marks at this level and many were able to access the higher marks available by describing the role of Trade unions, 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 or Shelltex could assist Manoil.
- (c) Almost all candidates were able to list some aspects of the legal environment for a Pass mark. Acceptable answers were shown in the case study and included; **employment protection; equal opportunities; health and safety; maternity/paternity; working hours; minimum wage**. Candidates generally earned some extra marks by explaining some of these legal aspects but few candidates provided explanation for all areas. Distinction level candidates provided full explanation but also made specific mention of the importance of health and safety requirements because of the recent accident at Manoil.

## Task 3

- (a) Very many candidates incorrectly chose to list the activities involved in both the **recruitment** and **selection** process even though the task clearly only asked for a **selection** process. Answers relating to the selection process were therefore ignored. Acceptable answers were **job description, person specification, application forms, cv's, methods of attracting candidates**. 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 how Manoil could end contracts were generally well answered. Answers simply listing the different methods such as redundancy, dismissal, mutual agreement, end of contract only awarded Pass marks as the task did ask for explanations. Additional marks were awarded to those candidates that provided comprehensive explanations of each method and many candidates also achieved some marks at this level.
- (c) Candidates were usually able to show good knowledge of the types of contracts such as permanent, temporary, fixed term, job specific contracts, and part-time. Weaker candidates often only provided lists for Pass marks. Additional marks were awarded to those candidates that provided comprehensive explanations of each method and many candidates also achieved some marks at this level. Distinction level candidates also made recommendations of the most appropriate type of contract for Manoil to use with supporting justifications.

## Task 4

- (a) Candidates often managed to list some of the systems used for communications but only the better prepared candidates identified **works councils, worker directors, Health and Safety committee, consultation committee and social committee**. Candidates often listed noticeboards and email which were incorrect as these are not systems. 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) The methods for monitoring and measuring work should have included items such as **targets; standards; key competencies; appraisal system**. Many candidates gained all Pass marks on this task. Higher level marks were awarded for candidates who added explanations of each method and highest marks were given to those candidates able to linking their answer to Manoil.
- (c) Very few candidates were able to provide answers worth more than a Pass mark for this task. Answers that made reference to how TQM could improve quality by increasing efficiency or productivity were acceptable for Pass level, as were answers explaining how TQM could reduce

costs/increase profit. A small number of candidates provided better answers by suggesting in more detail how TQM could benefit Manoil.

#### Task 5

- (a) Candidates were required to list fringe benefits and non-financial rewards. Most candidates were capable of listing the main benefits including **paid holidays, company cars, cheap loans, subsidised food and accommodation, healthcare, discounts on company products or services**. 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) Again a well answered task and virtually all candidates were able to explain the training methods required. Acceptable answers included **Induction training, on the job training, off the job training, internal versus external training, continuing professional development**. Higher level marks were awarded for those candidates who provided more detailed explanations of how each method operated.
- (c) Most candidates identified **working conditions, job satisfaction, working relationships, promotion and levels of responsibility** being the factors contributing to motivation. Higher marks were awarded where candidates provided clear explanations and linked their answer to the working environment at Manoil. Most candidates were able to obtain a least a Pass mark on this task and many candidates also gained Merit or Distinction level marks by recognising that as all of the employees were friends from university this would have a positive effect on their working relationships.

# BUSINESS (STANDARD LEVEL)

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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:

- 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.
- 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.
- 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.
- 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 Green Lagoon Hotel (GLH), a hotel located on the coast of Kenya.**

#### **Task 1**

- (a) Usually well answered although many candidates wrote far too much. The command 'state' usually means a very short answer is expected. In this case the answers (i) Primary and (ii) Tertiary would have obtained full marks.
- (b) Not well answered. Objectives including profitability and service were specifically excluded by the question but were seen in many answers. Answers such as increasing occupancy, building more rooms, and attracting more Kenyan tourists would all gain good marks.
- (c) Definitions such as 'the cash used in the day-to-day running of the business' were accepted, as well as the more technical answer of 'current assets minus current liabilities'. Improvement to his working capital position by selling fixed assets or obtaining long term loans were accepted, as well as arranging a bank overdraft, even though the latter is not strictly correct because a bank overdraft is a current liability.
- (d) Well answered with most candidates correctly mentioning limited liability. Other advantages included the continuity in the event of death of George and the improved ability to borrow from the bank. Disadvantages included more formalities and George believing he may lose some control.

#### **Task 2**

- (a) Advantages included the need for less Supervisors and the improved job satisfaction of subordinates who would have to make more decisions. Some candidates also mentioned communication advantages although some stated advantages to subordinates which was not asked.
- (b) Most candidates realised the importance of two-way communication and the need for front office to know which rooms had been cleaned. Special requests and which rooms were being vacated were also mentioned as part of the two-way communication.
- (c) Practical targets such as the number of rooms cleaned to a satisfactory standard were seen in many answers. Relating the successful achievement of targets to rewards such as cash bonuses was also discussed.
- (d) Poor staff motivation was the commonest effect given as a result of George's autocratic style of management. Other effects were that staff became dependent on him or that staff left his employ as they were never allowed to make a decision.

#### **Task 3**

- (a) Good cost control, due to only employing casual staff when they were needed, was the commonest answer. Other advantages were that casual staff could be a source to fill permanent positions, or that they would be easy to dismiss if their work was unsatisfactory.
- (b) Generally candidates struggled with this task. An advantage would be that the job-sharers could cover for each other if necessary. They could also agree work times between themselves to suit their other commitments. Disadvantages included the time taken for a changeover and that management might have difficulty with the scheduling.
- (c) Most candidates answered this well with loyalty, commitment and hard work being common answers.

- (d) Again this was usually well answered with positive motivation and the possible increase in income being the commonest answers.

#### Task 4

- (a) The advantages of training were outlined in most cases. The improvement in efficiency and service were seen, although the effect on staff motivation was not as common an answer.
- (b) The problems with transportation were outlined by many candidates. Other disadvantages include a possible difficulty in recruiting qualified staff and possibly a less developed local infrastructure.
- (c) Providing employment was the usual answer with the increased taxes collected by the government and foreign exchange also being factors.
- (d) This was not one of the better answered tasks with many concentrating only on a reduction of income for GLH. Less individual disposable income and a general tightening of credit would explain the major effects on GLH.

#### Task 5

- (a) Advertising and brochures would be the commonest forms of promotion. Too many candidates mentioned television advertising which would be far too expensive for this business. Letters to previous customers and brochures to travel agents together with a good website would be more productive.
- (b) Segmentation by age, nationality, social class or marital status would all be practical. Some candidates are still confused by the meaning of segmentation.
- (c) The emphasis on this task was on price instead of a general question on the marketing mix. The calculation of price such as cost plus or market price could be discussed. There could also be a discussion of the consequence of too high or too low a price.
- (d) Many candidates realised the marketing advantage given by the link with the safari lodge. The two venues complement each other, and each should increase their sales as long as they offer similar standards of accommodation and food.