

BUSINESS (ADVANCED LEVEL)

Paper 8929/5172

Effective Business Communication

Key Messages

- Examiners felt that the standard of answers to the tasks had improved this year. For candidates to achieve a distinction grade reference to the case study must be referred to in their answers.

General comments

The tasks on the paper were fair, clear and unambiguous. Examiners felt that the standard across the paper had improved this year. The syllabus had been clearly covered by the majority of candidates. The letter was much better attempted in terms of layout and content. **Task 5 (a)** candidates were able to identify the report structure but did not include what the contents of the report may be.

Comments on specific tasks

Task 1

- (a) Candidates wrote about the 'causes' of poor internal communication rather than the 'consequences' as in the task. Those candidates achieving a distinction grade were able to show their understanding by relating their answers to the case study and identify stakeholders.
- (b) The majority of candidates were able to identify criteria to evaluate the effectiveness of a website.
- (c) Generally well answered most candidates getting at least two marks for each. However, some candidates were not able to develop oral communication and were confused with letter writing etc.

Task 2

- (a) This task required candidates to write a business letter. This task was much better answered than in previous examination sessions. Candidates were able to show layout and content.
- (b) The task required candidates to write an e-mail. Candidates failed to provide the required headers i.e. to, from, date, subject. In terms of content, candidates only did the minimum and failed to attach an agenda, comment on the attendance and reply which was required. Generally candidates need to be taught to put themselves in the position of the receiver of such communications.

Task 3

- (a) This task was to explain the role of the chairperson before the meeting. Some candidates discussed meetings in general.
- (b) Candidates were able to answer this task regarding the role of the chairperson during the meeting.
- (c) This task regarding to the intranet and extranet was very straightforward. Those candidates who achieved full marks were able to define and give two advantages of each. Many candidates did not include password protection.

Task 4

- (a) Generally well answered. Candidates were able to give instruction points for a recruitment interview.
- (b) This task regarding other types of interviews was generally well answered. However, some candidates referred to sales interviews rather than keeping to the human resources link.
- (c) The majority of candidates were able to identify open and closed tasks and give a relevant example for each.

Task 5

- (a) Those candidates who achieved full marks on this task were able to list the headings in a report structure and to identify the content of the report linking their answer to the case study.
- (b) This task was to identify the most appropriate graphical chart for the presentation. Many candidates lost marks on this task as they did not think through the visual impact of their choice of chart.
- (c) Candidates had to explain the use of a Gantt chart for the opening of the store. Taking into account that this was the last task many candidates were not able to correctly identify what a Gantt chart is.

BUSINESS (ADVANCED LEVEL)

Paper 8929/5173
Business Finance

Key Messages

- Candidates need to be reminded of the need to answer the task that has been set rather than the task that they hoped to see. A failure to provide a relevant answer will result in lower marks and Centres are urged to provide their candidates with more instruction in answering the particular task.

General comments

Overall the performance of the candidates who sat the October 2012 examination appeared to be similar to that seen in previous examination sessions. The majority of candidates appear to have good knowledge of the subject and they appear to understand what is required in order to be successful.

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 will contribute to their overall marks. Also 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.

Comments on specific tasks

Task 1

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

The answers to parts **(a) (i) and (ii)** were generally good with candidates able to provide sensible suggestions as to why the differences could have occurred.

The answers to parts **(b) (i) and (ii)** were often too vague to attract higher mark awards. Candidates need to be reminded that they should look carefully at the mark award and adjust their responses to be sure that they are providing an answer that will attract the higher marks.

The answers to part **(c)** were generally good but there were a number of candidates who ignored the rubric and did not provide an answer that related to the case study. This resulted in them scoring low marks for what could have been a reasonable answer.

The answers to part **(d)** were rather patchy. There were some very good answers and a number of very poor answers. It is disturbing to think that candidates could not provide a response that mentioned balance sheets and profit and loss accounts. Centres are urged to address this issue as a matter of urgency.

Task 2

The answers to part **(a)** were very disappointing because the majority of the candidates simply did not answer the task. Although most of the responses could explain why and how the adjustments would be made, very few candidates linked these adjustments to the relevant accounting principles. This resulted in low mark awards.

The answers to parts **(b) (i), (ii) and (iii)** were very good, with most candidates providing the correct answers and it was pleasing to see that in the majority of cases the candidates showed how they were calculating their answers.

Task 3

The answers to part **(a)** were patchy, with some good answers and some poor answers. In many cases candidates lost marks because their answers were too brief. Centres should remind candidates that they should study the mark awards in order to provide the kind of answer required.

The answers to part **(b)** were reasonable with many candidates able to provide both the advantages and disadvantages of issuing debentures.

Task 4

The answers to part **(a)** were disappointing because candidates provided very brief answers. Centres should remind candidates that they should study the mark awards in order to provide the kind of answer required.

The answers to parts **(b) (i), (ii) and (iii)** were very good, with most candidates providing the correct answers and it was pleasing to see that in the majority of cases the candidates showed how they were calculating their answers.

Task 5

The answers to part **(a)** were generally poor because the majority of the candidates simply did not answer the task. Although most of the responses could explain what a ratio was, they did not refer to the different types of ratio. This resulted in low mark awards.

The answers to part **(b)** were much better with most candidates producing well considered, relevant answers.

BUSINESS (ADVANCED LEVEL)

Paper 8929/5174

Marketing

Key Messages

- Candidates would still be advised 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.
- Some candidates still, perhaps under the pressure of the examination situation, do not read/analyse the requirements of the task. Teachers/tutors can help candidates develop this skill by discussing past paper tasks during teaching sessions. The specifics of each task for this paper are detailed in the section that follows.

General comments

It is pleasing to report that many Centres achieved good marks 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 demonstrated strong understanding, particularly in the topic areas of research and the marketing mix.

Comments on specific tasks

Task 1

- (a) This first part of this task looked for candidates to explain why it is important to put the customer at the Centre of all of a company's activities, specifically from a marketing perspective. Most candidates did this part of the task well.
- (b) While the second part of this task proved more difficult to some candidates. Marks were available for explanations of how **three** examples of marketing activity taken from the Case Study contributed to the company's objectives. Marks were available for the detail of how each example contributed to the organisation's objectives, and it was this area that proved most difficult for some candidates. In addition, although there were various examples of marketing activity in the Case Study (for example, segmentation, caring about a quality product, advertising and promotion, customer service and a varied distribution channel), some candidates limited their ability to attract high marks by selecting three forms of promotion or three distribution channels. This meant that they were only able to give one way that activities would contribute to objectives.

Task 2

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

Some candidates need to improve their knowledge of what the differences are between primary research (that was suitable to check the suitability of ideas for new products, part **(a)**), and secondary research, which formed the basis of the second part of the task. In some cases these were confused.

Task 3

This task explored segmentation and buying behaviour in detail.

- (a) Most candidates were able to give a good explanation of the use of demographic segmentation in the Case Study.
- (b) Most candidates were able to give a good explanation of the use of psychographic segmentation in the Case Study.
- (c) Some candidates answered this task extremely well, linking each stage of the buying process to the purchase of a beauty product. Unfortunately others need to improve their understanding of the consumer buying decision process, as, although they were able to list the stages, they were not able to link them to the case study.

Task 4

- (a) This first part of the task was generally done well, with most candidates explaining what the PEST factors are.
- (b) The quality of answers to this part of the task varied greatly. Some candidates do not know what Ansoff's growth strategies are. Others gave general descriptions of all four strategies, where only one was asked for. Other candidates needed to link their selected strategy more effectively to the Case Study, as asked for in the task.
- (c) Some candidates were able to give relevant reasons for Mikosi adapting its marketing mix across its range of products. Good answers included the need to adapt for different segments, for different international markets, for different distribution channels (for example, online). Other candidates failed to answer this part of the task.
- (d) This final part of the task asked for **one** control method that could be used in Mikosi's marketing plan. Most candidates were able to do this fairly well, although many answers lacked depth.

Task 5

It is pleasing to report that this task was approached very well, and many candidates achieved very high marks for both their descriptions of a contextualised marketing mix for the range of beauty products as well as the advantages of their chosen distribution channel for beauty products.

Candidates should be reminded that they need to do more than just describe the elements of the marketing mix in a generic way, part (a), and that where they are asked to select **one** distribution channel, then they do not gain more marks by including more than one.

BUSINESS (ADVANCED LEVEL)

Paper 5175/01

Human Resource Management

Key Messages

- Detailed essay-type answers are not always required but candidates must write in enough detail to demonstrate to the Examiner that they understand the tasks. Bullet point format was often used in answers and is acceptable. In these cases candidates must recognise that they have to fully justify the items in the bullet points and not simply provide lists. Whilst some credit will be given for answers providing simple lists these will not be sufficient to achieve Pass level.
- Teachers should ensure that their candidates understand the importance of context. See further detail below.

General comments

Candidates at Advanced Level should be able to analyse the case study and make suitable evaluations in their answers rather than simply repeating subject knowledge. The majority of candidates did not produce evidence of applying knowledge and interpreting the case study although there were still a few candidates showing good analytical skills. Many candidates were unable to demonstrate general knowledge of the subjects covered and would have been better advised to sit the Standard Level paper.

Many candidates provided examples from general business practices or classroom examples to illustrate their knowledge but did not make use of the examples provided in the case study. Higher level marks were awarded to candidates that referred to the case study in their answers thus showing that they could analyse and apply their knowledge. Candidates able to understand the tasks and apply their knowledge by ensuring that responses were clearly related to the case study usually achieved Distinction marks. The most able candidates would also end their answer with a brief conclusion summarising their answer and making recommendations where appropriate. Teachers should ensure that their candidates understand the importance of context.

A very large number of candidates produced much shorter and less detailed answers for **Tasks 4** and **5**. This may have been due to poor allocation of examination time or a lack of knowledge in the syllabus areas being examined. Answers for **Tasks 1** and **2** were frequently the longest in a candidate's answer so this does suggest that many candidates need guidance on examination technique. The most able candidates were those that showed good examination technique and allocated suitable time to answering each task.

Comments on specific tasks

Task 1

- (a) Pass marks were achieved by those candidates who could quote the meaning and purpose of HRM: *Human Resource Management as the process for creating and maintaining relationships Purpose: right mix of skills, costs of employment, support social costs); react effectively to change.* Merit level candidates could accurately explain the different components with some reference to the case study. The most able candidates would relate the answer to ERNT; maintaining relationships - meetings with owners/drivers; between organisations – employers association; right mix of skills – careful recruitment/selection; controlling costs – checking other firms wage rates. Many candidates did not understand the meaning of HRM and provided answers referring to the different functions associated with HRM.

- (b) At the basic level candidates considered how HRM could assist ERNT by its Operational/ Strategic purposes; Many candidates were unprepared for this topic and described general functions of HRM; *recruitment, training, contracts, wages, working patterns*. Some limited marks were given for these answers. Better prepared candidates identified developments in HRM; development: *as a welfare activity; as a workforce centred activity, mediating between the organisation and the people it employs; as a management centred activity, supplying the organisation with one of the many types of resource which it needs to operate effectively*. The Distinction candidates accurately applied each stage to the distribution industry for example; *welfare activity – opportunity for drivers to relax; workforce centred – communication between owner/drivers; supplying the organisation – recruitment/selection of skilled drivers*.

Task 2

- (a) Most candidates could identify the main features of the employment market for a Pass level mark; *all of the drivers employed by ERNT are semi-skilled males; they are currently employed on part-time, short-term contracts as they are often only needed for the period when a container ship has arrived at the dock*. The Merit level candidate also identified the issues related to this market; *there are not always sufficient drivers available when needed; many experienced drivers who are in constant demand from the many other distribution firms*. Very few candidates were able to achieve a Distinction mark by evaluating the need to consider *different contracts, working conditions and wages* to overcome problems.
- (b) A poorly answered task as many candidates were unable to describe how the influence of technical change on drivers needed to be dealt with in the case study. Descriptions of training methods were not acceptable answers to this task. Pass level candidates did recognise the relevant sections from the case study; *the docks have recently introduced new machinery which resulted in a number of accidents and damage to containers; Some other firms have retrained drivers who are now employed full-time just loading and unloading containers using this machinery*. Better prepared candidates expanded their answers to describe the impact of new machinery: *needs for new skills; implications for career development, and for training, continuing professional development and lifelong learning; the threat of redundancy; how technology influences the way people's work is organised*. A very small number of candidates achieved Distinction level marks by relating their answer to ERNT and providing examples applicable to the case study: *new roles, training when on "down-time", possible Supervisory roles*.

Task 3

- (a) Candidates were well prepared on recruitment and selection processes. Pass level candidates would simply explain the stages; *Recruitment: purpose; job descriptions and person specifications; application forms; methods for attracting candidates; using agencies*. *Selection: letters of application and Curriculum Vitae (CVs)/Resumés; application forms; references; tests assessment centres; interviews*. A considerable number of candidates achieved Merit grade by also provided examples relevant to the drivers employed in the case study: *where to advertise, benefits of agencies, suitable tests, qualifications, assessment methods*. In order to obtain Distinction marks candidates would produce a Merit level answer and also analyse that the number of drivers required was quite small so external agencies were likely to be recommended as most economical.
- (b) Many candidates were unprepared on the subject of human resource planning for predicting staffing needs. Some marks were awarded to candidates that referred to the case study and suggested checking when ships are due to dock, number of containers other answers linked to data in the case study. Candidates need to be able to explain techniques such as: *analysis of current strengths and weaknesses (e.g. turnover and retention rates; absenteeism; length of service; job satisfaction; health and safety records; exit interview data); methods for forecasting supply and demand; succession planning*. Merit level candidates recognised some of these techniques and provided examples relevant to the case study; *turnover/ absenteeism rates linked to motivation; health and safety records linked to training needs; exit interview data linked to pay and conditions*. To achieve a Distinction candidates would need to provide further evaluation and make conclusions such as that the number of drivers required was quite small so any statistical data may not be reliable.

Task 4

- (a) A poorly answered task as very many candidates confused working patterns with contracts of employment. Candidates who recommended and explained just one working pattern; *day work, shift systems, flexitime; working at home, casual employment* achieved a Pass mark. Higher marks were obtained by candidates who accurately explained all the different working patterns and made a recommendation. Top marks were achieved by candidates able to evaluate the situation and relate their answer to the case study; *day work not relevant when no ships in dock; shift systems can operate 24/7 and get ships unloaded quicker; flexitime suitable if drivers can do 60 hours one week and none the next; casual employment fits docking times but difficult to retain good drivers*. Distinction candidates would also conclude that the working pattern selected has to be acceptable to the drivers as well as the employer.
- (b) Most candidates could describe some of the systems used for communication of information and individual problem solving mechanisms. A few marks were awarded for simple lists but Pass level marks required candidates to explain: *information based systems (e.g. briefing structures, newsletters; bulletin boards; emails, company website, electronic notice boards; staff surveys); individual problem-solving mechanisms (e.g. discipline procedures and grievance procedures)*. Candidates achieving Merit level would suggest how each system could benefit the company and provide illustrations of how each could operate at ERNT; *no proper base so newsletters/e-mails could be delivered to drivers homes; erect a notice board in café; grievance procedure started from complaints box*. To achieve a Distinction mark candidates also needed to appreciate the particular problems of communication systems in small businesses.

Task 5

- (a) Candidates were well prepared on the different methods of payment and reward. Some marks were given for lists but to achieve a Pass level candidates needed to explain *Financial reward – salaries, wages; piece-work; payment by results; bonuses; profit sharing systems; pensions; Fringe benefits*. The better prepared candidates also considered the suitability of each method for ERNT; e.g.: *piece-work may be suited to job; annual bonuses/pensions not appropriate for short term contracts; subsidised food and accommodation appropriate but not company discounts*. Candidates at Distinction level could also analyse the case study and conclude that the jobs required low skill levels and were short term so “long-term” benefits were not very suitable.
- (b) A large number of candidates confused this task with **Task 5 (a)** and described the different methods of payment and reward. Those candidates who were better prepared were able to explain how ERNT could determine an appropriate type and level of reward: *influence of the marketplace for particular skills/ qualifications; legal constraints; regional variations; bargaining strength of individuals/groups; differentials; the need for rewards to fit the organisation’s structure, technology and objectives*. Some marks were given for simple lists but not enough for a Pass. Merit level candidates could also relate their answer to the case study; *demand differences between the north and south; low unemployment in the north; northern docks better organised in Trade unions; rival firms offering better deals (fringe benefits) and higher wages*. To achieve a Distinction candidates needed to provide a full analysis of each type of reward and make recommendations as to which were best suited to the case study.

BUSINESS (ADVANCED LEVEL)

Paper 8929/5179

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

Addressing the subject of *examination technique* is a vital part of any candidate's examination preparation process. Tutors are advised that previous examination papers and the Principal Examiner's reports are readily available and it is recommended that they are used as resource material during the important revision period.

Points to bear in mind include:

- (i) Candidates must not underestimate the importance of *time management*. An examination will clearly put candidates under pressure but they need to be instructed on how to pace themselves and not panic because of the time constraint. Candidates should not copy the task at the start of their answer; this could lead to a shortage of time to complete all the answers
- (ii) Candidates are expected to read both the case study and the accompanying tasks carefully in order to understand precisely what they are required to do. **All too often, candidates fail to do justice to themselves simply because they either misread or fail to comprehend a task.**
- (iii) The purpose of having the case study is to expect candidates' responses to be made in the appropriate context. This means that responses should, where appropriate, be clearly related to the case study. Marks are often lost if the context is disregarded. It is not enough to display knowledge; it needs to be applied to the case study. Context is important!
- (iv) Candidates must be advised that a succinct and focused answer is preferable to one that is lengthy and offers little substance
- (v) Bullet points should not be used as they often result in brief answers with no description or explanation.
- (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 tutors and candidates must acknowledge that these instructions have a purpose.*
- (vii) The majority of candidates undertake the examination in a second language. *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.

Comments on specific tasks

Task 1

- (a) Many candidates knew the advantages and disadvantages of plc's and Ltd.'s and described them at great length. However they did not compare the advantages and disadvantages which, if completed correctly, gave a shorter more focused answer. Advantages of Plc's compared with Ltd.'s include being quoted on the Stock Exchange which leads to the easy transfer of shares and the relatively easy raising of additional capital. Disadvantages of plc's are that they are relatively expensive to set up, they have to publish more information than Ltd.'s and they are vulnerable to takeover due to the easy transfer of shares.
- (b) This was reasonably well answered with most candidates realising that it was important for HOS to have detailed environmental policies in place and, for PR reasons, make sure these are widely known. They would have to be ready to respond to public concerns and, if necessary, change production techniques. They must recognise that costs could increase in order to meet environmental concerns.
- (c) (i) Overdrafts were usually understood although many did not use the correct terminology by saying that they were used when there was a shortage of liquid working capital, or at times when cash flow was negative. Disadvantages include their cost and the fact that the bank can demand repayment at any time.
- (ii) Debentures were not as well understood with many candidates confining their answer to a statement that they are long term sources of finance, which is true. Advantages to HOS are that holders of debentures do not usually have any voting rights and that repayment is usually on a set date in the future with, perhaps, annual interest payments. Disadvantages include the fact that the interest payments would reduce the profit available for HOS, and also that in the event of the business going into liquidation, the debenture holders would have to be repaid before there was any money available for the shareholders.

Task 2

- (a) Many candidates seemed to know the basic principle of a matrix structure, but fewer knew how it could be used in HOS. Matrix structure gets people with particular specialisms into project teams. This seems ideal for HOS as their work involves completing projects for various oil companies. This in turn gives the employees scope to use their talents effectively.
- (b) Many candidates knew what formal and informal communications were, but did not apply this knowledge to HOS – they did not apply context. An example would be HOS arranging a meeting of all employees in Head Office at a set time to announce a major change in their HR policy. An informal meeting would be a HR manager meeting other departmental managers in the corridor and discussing the new policy.
- (c) Delegation was defined well by most candidates, but most did not carry on to explain its importance to HOS. In a complex organisation like HOS, which has employees working all over the world, delegation will mean faster decision making since most decisions will be made by employees on the spot. This reduces the burden on senior managers and provides the subordinates with greater job satisfaction.
- (d) While many candidates demonstrated knowledge of McGregor's Theory X & Y, many did not go on to explain how it might be viewed by HOS. HOS delegate widely and must therefore trust their employees; it seems therefore that their senior managers must believe in Theory Y.

Task 3

- (a) One of the best answered tasks on the paper. Candidates knew that the employees on fixed term contracts could have the term of their contracts set for the expected length of the project. This would minimise the employment costs for HOS, since there would be less likelihood of having staff surplus to requirements. Disadvantages include the possibility of losing good workers at the end of their contract, and the higher recruiting costs when increasing work load requires more staff.

- (b) (i)** Some candidates turned this task into a general discussion on motivation. Better candidates realised the role safety plays in motivation by explaining its place in the second tier of Maslow's hierarchy of needs. A lack of a safe working environment will thus mean that workers will not work to their full potential. This is especially relevant to HOS as the oil rigs that many of their employees work on are inherently dangerous.
- (b) (ii)** Some candidates did little more than repeat their answer to **(b) (i)** but others realised that a good record on safety would make it easier to recruit workers. Another positive effect would be the improvement in HOS's image, which in turn could lead to customers awarding them more contracts.
- (c)** This task was looking for advantages to the employees, but many candidates answered in terms of advantages to the company which limited their marks. Advantages to the employees included the need for training which would motivate them, and the constant challenge which, in moderation, should be motivating. Disadvantages included concerns about job security when technology replaced people, and the resistance to change particularly among experienced workers.

Task 4

- (a)** Many candidates explained the rise and fall in the business cycle, but then did not relate it to the rise and fall in oil prices. The demand for oil will increase during the boom period, thus pushing the price up. During the bust period the demand will fall, thus pushing the price of oil down.
- (b)** The reduction of taxes was seen by many candidates as the main encouragement to growth by the government. Other methods include low interest rates to minimise the cost of borrowing, and subsidies in order to help HOS expand.
- (c)** This was a 'location of office' task in which a variety of answers were seen and expected. HOS could locate close to existing oilfields or close to the Head Offices of their North American customers. They should consider costs such as lease costs and employment costs, and may find some areas of high unemployment qualify for Government incentives. Good communication facilities and the availability of suitable workers are also essential factors. Some candidates gave answers that were not appropriate to HOS.
- (d)** Most candidates only mentioned that an international presence would bring money into Abu Dhabi. Another reason included a need for Abu Dhabi not to be over-reliant on its own oil which is a diminishing resource. Also operating internationally would increase the knowledge and skill of the firm, and therefore increase the knowledge and skill of the whole community.

Task 5

- (a)** Generally a well answered task with most candidates realising the importance of good customer service. The main ways of delivering such a service include ensuring that all work is completed to a high quality and on time, and communicating honestly with customers when difficulties are encountered. Basically the needs of the customer must be identified, understood and met.
- (b)** Many candidates had some idea of why the level of service might be more important than price, but explanations were often brief. In the market that HOS compete in, customers are always looking for a high level of service, and they need to have confidence that HOS will deliver on time with the right product. Their reputation will depend on this and, if they fail, a lower price will not usually win back a renewal of the contract.
- (c) (i)** Most answers started with a variation of 'Without customers there would be no business'. This gained some marks but further marks were gained by developing this statement. It could be pointed out that there are relatively few potential customers in this market, so every customer is important.
- (ii)** Answers to this task tended to be brief, possibly because it was the last task on the paper. Market share could always be increased by lowering price and maintaining quality, but this would reduce profitability. Image is built over a longer term and should lead to a greater market share. However pursuit of market share in the short term may result in a reduction in quality which would reduce image. Therefore, in the long term, image is more important than market share.