BUSINESS ADVANCED LEVEL

Paper 8929/5179

Business Organisation and Environment

General comments

This examination paper offered 29 assessment points with marks ranging from 1 to 8 for each point. The object was to give candidates a more accessible and user-friendly examination paper.

It is important that the entirety of the syllabus is taught; some tasks were weakly answered owing to a general lack of business knowledge. Unfortunately poor examination technique remains an issue and still hinders the achievement of higher marks for most candidates. Teachers are strongly advised to address the subject when preparing their candidates for the examinations.

There are several areas of continuing concern arising from this examination:

[i] Candidates must read both the case study and the accompanying tasks carefully. They must ensure that they understand precisely what the Examiner wants them to do. All too often, candidates fail to do justice to themselves simply because they either misread or fail to comprehend a task. It must be reiterated that 15 minutes' reading time is provided in order to help candidates become acquainted with the contents of the examination paper.

[ii] A number of candidates still copy out the tasks before composing their answers. There is no requirement to do this and it is a very poor and negative use of examination time. It is a practice to be avoided.

[iii] Candidates must learn to differentiate between the demands of different value tasks. There is little to be gained from writing a detailed answer to a 2-mark task and then giving scant attention to one offering, say, 8 marks. At no point in the examination paper are candidates required to submit lengthy essay-type answers but they must write a sufficiency of detail to demonstrate to the Examiner that they understand the tasks. A succinct and focused answer is preferable to one that is convoluted and offers little substance.

[iv] The object of having the case study is to expect candidates' responses to be made in the appropriate context. This means that responses, unless the task really calls for the rehearsal of general business knowledge, should be clearly related to the case study – in this instance to Linguists International plc. Marks are often lost if the context is disregarded.

[v] Tasks mostly ask candidates to *describe* or *explain*, and a typical weakness is that candidates do not always submit a sufficiency of description or explanation. It is acknowledged that the majority of candidates undertake the examination in a second language. Incorrect spelling and grammatical errors are **not** taken into consideration. The demonstration of business knowledge and, where required, the evidence of reasoning, is more important that the quality of written language. However, it must be emphasised that very poorly expressed answers, especially those which expect the Examiner to guess a candidate's meaning and intention, may not be marked very favourably. Teachers need to emphasise these points when preparing candidates for the examination.

[vi] Candidates must not underestimate the importance of time management. Mostly candidate are able to attempt all the tasks within the allotted time but it quite clear that some responses are hurried. It is appreciated that an examination will put candidates under pressure but teachers need to instruct them on how to pace themselves and not panic because of the time constraint.

[vii] Layout is a continuing issue. The instructions on the front sheet of the examination paper are clear enough and it would be helpful if invigilators referred to them when briefing candidates prior to the commencement of the examination. No marks are deducted from scripts where candidates have 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 the instructions have a purpose.

Comments on specific tasks

The case study was about a company called Linguists International plc (LIP). The company owned language colleges in some 40 countries where short intensive language courses were offered mainly to the corporate market. The greater part of the company's turnover, however, was provided by the production and sale of audio-visual language learning programmes and materials.

Task 1

(a) (i) This task called for justification of the Chief Executive Officer's claim that Linguists International plc was only in business to make the 'best possible profit'. This certainly called for a rehearsal of profit [i.e. motivation, reward for risk-taking, reason for being in business], and an explanation that the 'best possible profit' was synonymous with profit maximisation [or optimisation]. However, the response needed to be in context. The essential point was that the company controlled costs and marketing to get as much profit as it could [the text suggested that profit was the *sole* reason for the business]. Language learning may have been promoted as 'an essential activity' by the CEO but it was, nonetheless, a means of making money. In the main the task was not well answered. Many candidates appeared to be at a loss as how to respond to the issue. Few candidates earned more than half-marks.

[8 marks possible]

(a) (ii) Candidates were asked to describe what was meant by 'business or enterprise culture'. The reference was made by the CEO and located in the second paragraph of the case study. The context was quite clear and only a few candidates demonstrated any idea of how to approach the task despite the statement 'the role of any Government was to encourage the business or enterprise culture'. Too many responses dealt with internal cultures of companies and, as a result, earned no marks. Candidates needed to acknowledge the political and/or economic climate that encouraged risk, investment and business. A firm working definition was required which included suitable reference to one or two of the following points: profit motive; the establishment of SMEs in particular; self-employment; business confidence; Government intervention policies to encourage enterprise.

[4 marks possible]

(b) LIP was a public limited company and candidates were asked to identify and describe two features or advantages of a public limited company. Generally this task was undertaken quite well but many gave features without explanation and mostly only half marks were awarded. The features needed to be appropriately discussed and drawn from the following examples:

- Limited liability;
- The company as an artificial legal person;
- The company has continuity;
- Enabled the company to be listed on the stock exchange;
- Potentially enabled the company to raise a large amount of capital through the public sale of shares.

[4 marks per feature or advantage were available]

Task 2

(a) The CEO had been described as a 'Theory X manager' and candidates were asked to suggest and describe three reasons why. The *only focus was on **Theory X*** and in the context of the case study. A number of candidates spent valuable time explaining Theory X indicators but could not apply them to the situation. The text offered much of the response, viz: the structure of LIP was centralised; the CEO offered little opportunity to managers to display initiative; firm attitudes towards target setting and monitoring performance; preferred to direct staff; felt that staff needed to be led or coerced.

[4 marks per reason were available]

(b) LIP had a centralised structure. The task called for the identity and discussion of one advantage and one disadvantage of a centralised structure. Responses were expected to be in the context of the case study. Although the task was generally well tackled, many candidates explained the nature of centralised structures with little or no reference to LIP. Examiners were looking for the following examples of points:

- *Advantage*: consistent policies could be applied throughout the organisation – LIP operated in 40 countries; ensured decisions were taken more quickly than via consultation; management had to carry out set procedures; conformity helped to build the company image.
- *Disadvantage*: it encouraged the removal of initiative among managers [except for low profile issues]; reduces input of the college Principals and senior management teams to day-to-day running; increased volume of communication between colleges and HQ.

[4 marks for the advantage and 4 marks for the disadvantage were available]

Task 3

(a) This was a familiar and predictable task. Candidates were asked to identify and explain three expectations the employees of Linguists International might reasonably have had of their employers. A general approach was not unwelcome but appropriate context, i.e. use of the case study, improved marks. The expectations included, for example: fair treatment; appropriate salaries, wages, and fees [e.g. supplements because of specialisms]; safe working conditions [e.g. especially in colleges in city centres]; opportunities for advancement; appropriate channels of communications [e.g. disputes, teleworkers]; training and retraining [perhaps mostly for permanent staff].

[4 marks per expectation were available]

(b) (i) Some members of the LIP staff undertook teleworking. The task called for an explanation of what teleworking meant and candidates had also to identify *one benefit to an employee* of teleworking.

Definition: most candidates defined the term quite well but some saw it entirely in terms of working on the telephone. The points required were to be drawn from, for example:

- It enabled a person to work in any location other than an established office/factory [the text referred to those producing course materials who did not have to live and work in Hong Kong];
- teleworkers may work at home, from a remote office, from a train or car;
- a link between employee and employer must be established via computer [Internet, emails].

Benefit: mostly this was quite well done and examiners looked for the following examples:

- it enabled an employee to work from home and to organise personal work schedules [this was particularly helpful to those with family commitments, those who were single parents or disabled];
- it enabled those with shortage skills to sell their services world-wide without having to travel;

[2 marks for the definition plus 2 marks for the advantage were available]

(b) (ii) Self-employed staff worked for LIP. Candidates were asked to explain what self-employment meant and to identify *one benefit to the company* of using self-employed staff. General knowledge would have provided the definition but the benefit should have been drawn from the case study. Both the definition and benefit were mostly well answered. The points examiners looked for were, for example:

Definition: an individual operating as a sole trader i.e. as his/her own boss; a self-employed person working freelance [as per text] or running a business; a person who markets self with skills and specialisms [e.g. the language specialists, writers, editors as per text].

Benefit to the company: LIP only needed to pay for contracted work; cheaper to employ because of fewer employment costs; only need to employ them when the demand was right; if a freelance employee did not satisfy, there was no obligation to re-contract – therefore few complications.

[2 marks for the definition plus 2 marks for the benefit to the company were available]

Task 4

(a) Every company is affected by factors that influence its business activity. This task asked for an explanation of how Linguists International might be affected by competition and the impact of advertising. Candidates should have been aware of the influence of external or PEST factors.

(a) (i) This task on competition was generally well done with candidates demonstrating an understanding of how it might be a threat or a stimulant to LIP. A major point was that candidates recognised LIP was in a competitive market – a situation that affected costs, prices and target market[s]. Competition which may have encouraged the introduction of new products, services and policies also sharpened the company's focus. The downside was that the company could have been forced out of the market.

[4 marks were available]

(a) (ii) This dealt with the *impact* of advertising. Candidates generally wrote about advertising and ignored the essential focus, namely the *impact* of advertising. Candidates should have acknowledged that the issue was related to competition and that if a competitor's advertising was effective then it would force a response from LIP. Even with less threatening advertising, LIP would have needed to remind the market of its existence. The text said that LIP spent a lot on advertising to maintain and improve [hopefully] its market position. The impact of advertising was part of the competitive culture – LIP may have had to introduce new products or adjust prices.

[4 marks were available]

(b) The CEO declared that the company would do business with any type of economy. Candidates were asked to give a definition of each of the three types of economy – market, mixed and planned. A reasonable degree of knowledge was demonstrated but many candidates just offered limited and weak definitions. The main points candidates should have offered were, for example:

- **Market:** allowed operation of the markets to allocate resources with minimal government direction or interference; supply and demand; freedom of choice; efficiency.
- **Planned:** production and distribution organized and controlled by the State; goods and services rationed; price controls.
- **Mixed:** seen as a compromise; combined free market with a public sector [e.g. power, railways]; some government regulation over both sectors.

[4 marks were available for each type of economy]

Task 5

(a) (i) Candidates were asked to describe two features of the company's Customer Services Policy. The answers were clearly identified in the case study and candidates had only to choose two of them and offer each with a brief supporting statement to earn full marks. This task was generally well answered although a number of candidates gave responses that could have applied to any business. The points examiners were looking for were:

- LIP offered no unconditional guarantee on its products i.e. consumer could not return goods just because of dissatisfaction with product;
- company would replace a faulty product but would not offer a refund;
- customers had to pay for postage and packing;
- there were no refunds of course fees;
- there was no complaints procedure.

[2 marks per feature were available]

(a) (ii) This task was an extension of the previous one and candidates were asked to suggest two ways in which the company might improve its Customer Services Policy. Most candidates readily identified from the text what was required. The points to have offered were that LIP could become more consumer-friendly through refunds, action on faulty or low performing goods and services, a free returns service, and a helpline.

[2 marks per feature were available]

(b) This task addressed the marketing mix. Mostly candidates understood the 4Ps but did not always discuss them in the appropriate context. The CEO believed the company's marketing mix was successful and candidates were asked to explain what was meant by that. Candidates needed to use the case study and to rehearse the following four standard points:

- **Price:** the company maintained discrimination pricing – the highest prices were in the USA and Europe; the policy also meant market discrimination;
- **Product**: languages courses in colleges; language learning packs and materials;
- **Promotion:** via the website and advertising; the unique selling point was that candidates could learn anywhere;
- **Place:** tuition and courses were available from colleges, bookshops, through magazines and newspapers, anywhere in fact.

[3 marks were allocated for each of the 4Ps]

BUSINESS ADVANCED LEVEL

Paper 8929/5172

Effective Business Communication

General comments

There were some very good responses in this session. However, some candidates were not well-prepared, which is an indication that more notice needs to be taken of these reports in order to aid students' performance.

As has often been the case, time management really seems to challenge some students, particularly by the time they get to **Question 5**. Markers tend to get quite frustrated with the poor quality of answers at this point, particularly if the question is a three-part question, as the answers tend to be very thin, if they are answered at all. More effort needs to go into preparing students to be good time managers within an examination.

Presentation of material was again quite variable, with some students really making an effort to present materials in a well structured and meaningful way, whereas some students paid little attention to presentation detail. As a business communication paper, presentation is essential and students should be mindful of this when writing their papers.

Comments on specific questions

Section A

Question 1

(a) The focus of this question required students, in the context of the case study, to consider four key causes of poor internal communication. It is pleasing to say that students tended to do quite well overall with this question and seemed to give answers, often based on their own experience, along with answers identified within the mark scheme. Good answers would have made reference to the lack of clear aims or purpose of communication; the use of inappropriate language and staff being unable to understand the message due to lack of experience and/or level of education. Other answers may have included reference to inappropriate media and perhaps lack of regular communication, making messages more difficult to understand.

(b) This question asked students to explain two-way methods of communication that could be used within the company. Many students understood the concept of two-way communication in that it required face-to-face discussion. However, there are those students who still think that a letter or a report is a two-way communication. This is not the case. Good answers would have included reference to team meetings; quality circles; seminars; briefings and telephone communications, including telephone conferences. It is clear to see that these all require discussion, which is the key focus of 'two-way' communication. It is hoped that through this emphasis within the report, students will not make the same mistakes in future examinations.

(c) In the final part of **Question 1** students were expected to explain why a business needs to understand the communications process. Answers to this were a little more unreliable and students often seemed a little unsure. Many students interpreted this as a need to present the communications cycle, but with little reference to why it is important to a business. As a consequence many students failed to gain good marks.

Question 2

(a) In the majority of 5172 papers, letter writing is a standard topic and is beginning to be recognised as such by Centres preparing students for examinations. In addition to this, it is pleasing to report that correct and appropriate salutation has been used. Good students were those who followed the standard format, as follows:

- Letter heading of the company
- Date
- Reference number
- Appropriate salutation (Mr/Mrs)
- Letter heading
- Appropriate closure – invitation for action
- Signing off the letter including either Yours faithfully (for dear sir or madam) or Yours sincerely for (for dear Mr or Mrs)
- Position

The use of 'Dear valued customer' and 'Yours truly' are less appropriate for formal business letters and standard formats would be better adhered to, such as Dear Sir or Madam, using 'Yours faithfully' or Dear Mr or Mrs, using 'Yours sincerely, to close the letter.

Students who develop the body of the letter well and apply the letter to the context of the question and the case study gain good marks, making the difference between a bare pass for this question and a strong pass.

(b) Part **(b)** of **Question 2** focused on candiates being able to explain the benefits of the different types of communication for different target groups, such as customers and investors. Candidates were generally very strong in their answers to this question, with many students scoring very high marks. This was quite refreshing indeed. There is an increased emphasis now within the syllabus on electronic forms of communication and students are becoming increasingly familiar with these, as they become part of every-day life in all cultures. There was a clear understanding and a use of examples, however, little by way of application to the case study, which was disappointing. Unfortunately, application is something that is very limited in many instances.

Question 3

(a) This question is again very common, or at least the theme of the question is, and it is hoped that by now students would be responding a little better. Candidates seemed to do well, but sometimes overlapped with the second part of **Question (a)(ii)**. Students sometimes struggled with pre-meeting arrangements and the meeting itself and where this was the case they did not gain marks.

Good answers identified that planning the meeting was important and this should be based on the foundation of good aims and objectives underpinning the necessity for the meeting to take place. They also understood the role of the chairman in achieving the aims and objectives of the meeting, whilst it was underway. These answers also referenced the importance of the chairman's role in following up meeting actions to ensure that they have taken place appropriately.

(b) Part **(b)** expected students to explain one advantage and one disadvantage of a meeting. Students were generally able to answer this question, although perhaps struggled with the disadvantages more, as most of the marks were awarded for the advantages. Good answers would have recorded the importantance of meetings as information sharing opportunities and getting staff on board with ideas, initiatives and projects. Whilst disadvantages would have included the time meetings take, losing control within the meeting, lack of structure and direction, and where an organisation is internationally spread, the difficulties with people attending meetings when required.

(c) This final part of **Question 3** required students to explain:

- Paralanguage
- Metacommunications
- Non-verbal communications

Students often struggle with these concepts and can get them quite muddled, particularly when giving examples. These three forms of communication are very standard and it is expected that students should give confident answers and definitions. It is important that Centres ensure that students can differentiate between these methods and give good examples of each. Centres reading this report will hopefully pick this up as an important factor for improved delivery and should also note that these three forms of communication will arise again in future examinations, so should heed this advice.

Question 4

(a) This question asked students to prepare six guidance points regarding performance, which should be discussed in a performance appraisal. This question, whilst often answered in bullet point format, did produce some good and interesting answers, some of which were heartfelt, as if they were based on personal experience, as opposed to teaching. The diversity of answers perhaps demonstrated this. This area is not frequently assessed and as such, it was pleasing to see the degree of success experienced on this occasion.

Good answers included, planning for the future; discussing individual performance; discussing training needs; career planning and job progression; evaluating efficiency and achievement of targets; identifying and assessing problems; setting future goals; exploring any resourcing issues and how best to motivate the employees as an individual and as a team member.

It should be pointed out that, typically, salaries should not be spoken about during appraisal metings, because they are often treated as a separate issue. This is something that is good practice in appraisal interviews and something that Centres should pick up on for the future – salaries are **not** part of appraisals.

(b) This question asked for the candidates to identify four features of a general business interview. candidates really struggled with this and many different and incorrect answers were provided. A good answer should have included the following:

- A planned and controlled communication between two or more people
- It enables both parties to speak and listen
- It should be arranged at a mutually convenient time
- It should have an outcome which may be followed up in writing

(c) This question focused on asking for examples of two different types of questions, which could be used in a performance appraisal. Unfortunately, many students were unable to address this question successfully. This was particularly disappointing as these types of questions are usually included in CIE examination papers. candidates seem unable to select the right questions at times and many of them seemed unable to give appropriate examples, in particular examples that are applied. Many examples given are inappropriate. Examples **must** relate to the scenario context.

As stated in the previous reports for the May 2006 paper, much more preparation around the area of types of questions is needed as this topic continues to challenge candidates.

Question 5

(a) This question expected candidates to suggest and justify four types of graph which could be used to present sales information for potential investors. Generally this question was well answered, although at times some of the descriptions were a little vague. There was no problem in identifying the most appropriate forms, such as pie chart, line graphs, bar charts and table, but detailed discussion or explanation was not given.

(b) In Part **(b)** students were expected to identify the structure of a report and to indicate, in brief, the content for the investors meeting. To gain marks, a candate should have been able to present the structure of the report and briefly explain under the body and conclusions of the report what might be included. Few students performed well, partly because of poor time management, as it was the end of the paper, but also because they were unsure of the structure of a report. This is again something that should be the focus of improved delivery and revision. A report is a key business communication tool and candidates should be much more familiar with the structure and purpose than was demonstrated in this examination.

(c) Finally, students were asked to explain three ways in which computer software packages could improve the presentation of a graph within the report. Candidates generally did well, although again time management meant that many students did not get this far or if they did, they answered in very vague terms. The standard answer was the use of Power Point. Good answers would have talked about 3D, full colour, multi-media packages and even the use of technology, such as talking heads.

BUSINESS ADVANCED LEVEL

Paper 8929/5173

Business Finance

General comments

It is disappointing to report that there was very little improvement in the overall performance of the candidates who sat the October 2006 examination. Once again, many candidates did not reach their full potential simply because they did not manage their time effectively and appeared to spend too much time concentrating on parts of the tasks that attracted only a low proportion of the marks. Centres are urged to address this issue by taking candidates through previous papers and coaching them on how best to allocate their time.

It was noticeable that there were fewer gaps in the knowledge of the candidates and Centres are congratulated on their efforts to ensure that the whole of the syllabus is being delivered.

Once again, it is disappointing to report that many candidates are not achieving high marks in the computational tasks simply because they do not produce a formula to show how they are going to arrive at a solution. The provision of such a formula will guarantee the award of some marks even if the subsequent calculation is incorrect – for some candidates at the margin this could make the difference between a pass and a fail. Centres are asked to instruct future candidates to always provide a formula.

Comments on specific tasks

Task 1

Overall the answers provided for most parts of this task were encouraging with the vast majority of candidates able to produce answers that were relevant, if not completely correct. As a result the average score for this task was good. Centres are, however, reminded of the need for precision when candidates are providing definitions as this will enhance the marks awarded to the candidates.

It is disappointing to report that many candidates were unable to provide a correct response to part **(d)(ii)**- the task required them to provide answers as to how working capital is managed i.e. how the balance between current assets and current liabilities is maintained. Many of the weaker answers confused this with raising additional finance and therefore received no marks for their answer.

Task 2

Generally the answers to this task were disappointing as candidates did not provide full answers to either of the parts.

Part **(a)** required candidates to provide an explanation of what is meant by double entry bookkeeping **and** to illustrate this with their own worked examples. Many candidates either failed to do this or their examples were incomplete.

Part **(b)** required answers that explained how the principles chosen would contribute to accuracy in the accounts. This element of the answer was ignored by many candidates and therefore the full award of marks was not possible.

Task 3

Overall the answers provided to this task were good with the majority of candidates aware of the processes necessary to calculate both the break-even point and the contribution. Some candidates suffered simply because they did not state explicitly how they were attempting to solve the problems. Candidates should be encouraged to state the formula used.

Task 4

The answers provided for this task were either very good or very poor. It appears that some Centres had not covered this topic of the syllabus and this seriously disadvantaged the candidates. The Centres that had covered this topic appeared to have taught it well and as a result the candidates achieved high marks.

Task 5

Overall the responses to this task were satisfactory with many candidates scoring high marks on part **(a)** of the task. The answers to part **(b)** were not quite as good as many candidates failed to provide reasoned arguments to support their choice of organisational structure.

BUSINESS ADVANCED LEVEL

Paper 8929/5174

Marketing

General comments

The case study in this paper focused on a company based in China, which sells products globally. It also introduced the topic of sports sponsorship linked to the 2008 Olympics which was generally responded to well.

It is pleasing to report that some Centres achieved very 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 appear to know the basics of the syllabus but do not, or cannot, apply the relevant concepts to the case study scenario. These candidates tend to waste time by writing all that they know about a particular topic, and without any attempt to make it relevant to the wording of the task. It is very important that answers to the Tasks are related to the case study throughout the paper.

It is pleasing to see that fewer candidates are misinterpreting what is asked for in Tasks and Teachers who have done examination preparation work are to be congratulated in this respect. The specifics of each task for this paper are detailed in the sections that follow.

Comments on specific tasks

Task 1

This first task asked candidates to identify reasons why marketing is important to Hiya and to explain these using three relevant examples. The second part of this task required an explanation of how the company could set up a customer care programme to develop relationships.

(a) There were many possible examples that could have been used in this task and candidates who were awarded high marks selected three appropriate examples, explained them briefly and then linked them back to the case study. Some candidates listed more than three examples without further explanation and therefore lost marks.

(b) Candidates who explained the seven stages of establishing a customer care programme and then linked this to Hiya's situation were able to gain full marks for this task. Candidates who explained some suitable actions to improve customer care were awarded marks for relevant examples, but were unable to gain full marks without the process being explained.

Task 2

Task 2 focused on the topic of market research and the benefits of market research to Hiya.

(a) Strong candidates started this task with a definition and then went on to aspects of a potential market that could be researched and would benefit Hiya by reducing their risk and the associated costs of making a poor business decision. Generally this part of the task was done well.

(b) This part of the task asked for a simple list of the stages in the research process and this was again done well. However, some candidates wasted time by explaining each stage. Teachers should remind candidates about the meaning and importance of 'command' words in tasks because when a list is asked for there are generally fewer marks available than when an explanation is required.

(c) This final part of the task was where most candidates struggled, and most gave a very general description of the way in which the process could be used.

Task 3

This task appeared to cause more problems than the others, mainly because many candidates confused the consumer buying process with the organisational buying process.

(a) A few candidates identified the correct buying process in this section of the task, and these gained the marks available.

(b) This part of the task only attracted a few marks and many candidates were able to explain the importance of understanding buyer behaviour so that changing customer needs can be identified and satisfied, new market segments can be identified, and communications and new products can be developed appropriately.

(c) Many candidates were able to contrast the key differences between consumer and organisational buyer behaviour and identify factors such as the size and frequency of purchase, the differences in terms of levels of involvement in consumer decisions, and the fact that organisational purchases vary between new task, rebuy and modified rebuy.

Task 4

This task explored two key aspects of marketing planning – SMART objectives and growth strategy.

(a) It was good to see that most candidates can now explain what SMART stands for in objective setting.

(b) Unfortunately this part of the task caused problems for many candidates. Only a few were able to give an example of a SMART objective that was appropriate for Hiya.

(c) Many candidates were able to explain Ansoff's matrix and show it in a diagram. Very few were able to give examples of how Hiya might use it. For example, Hiya's entry to the US market would have been a suitable example of growth through market development.

Task 5

This final task required candidates to explain aspects of the marketing mix and, this session, focused on the 'promotion' and 'product' elements.

(a) This part of the task produced some very good answers. Many candidates recognised the potential for media coverage linked to sports sponsorship and also the possibility of creating goodwill with the audience for the event.

(b) It was disappointing that very few candidates were able to see how advertising, sales promotion, public relations, personal selling and direct marketing could be used to support the sponsorship of the sporting event. Strong candidates identified the potential for showing the brand on the team shirts and creating giveaways showing the company logo, as well as the more traditional use of promotional tools.

(c) This part of the task was generally done quite well with many candidates recognising the potential for a strong brand to improve awareness of the range of products and also that customers would associate the brand with its values – quality and reliability.

BUSINESS ADVANCED LEVEL

Paper 8929/5175

Human Resource Management

General comments

The quality of the responses this year was good, with many candidates displaying an excellent understanding of both the syllabus content and its application to the case study presented. Many more candidates are now using the case study material supplied, rather than answering the tasks without reference to the case study. This produced a better quality of answers and also ensured that the candidates achieved higher marks.

However, some candidates neglected the second part of the task. Each task is deliberately phrased so that it requires answers to both parts and candidates need to be aware that both parts are equally important.

Finally, there is still some evidence that certain areas of the syllabus are not being covered in a full and Competence criteria 4.3 is an example of this.

Comments on specific tasks

Task 1

This task aimed to test assessment objective 1.0 and especially the difference between the candidates' understanding of operational and strategic management, as well as the different approaches to HRM.

(a) The majority of candidates were able to explain how Kidz Toyz had decentralised its operations, however, only the better candidates even attempted the second part of this task and suggested reasons why they had decentralised. The answers to both parts of this task were contained within the case study and knowledge of the operational purpose would have enabled the candidates to extract the correct information.

(b) Candidates' knowledge of strategic purpose was poor. Many candidates simply copied extracts from the case study and others simply listed the strategic purposes of HRM without reference to the case study company. Very few candidates were able to comment on whether Kidz Toyz had been successful and explain why. Generally the marks awarded for this task were low.

Task 2

This task aimed to test assessment objective 2.0 and especially the link between rapid technological change and the need for, and understanding of, lifelong learning.

(a) Many candidates took a unique approach to this task and decided to explain technological change, redundancy and lifelong learning. However, they failed to link the three ideas and forgot to mention the case study company. Candidates were required to explain that the rapid changes in technology mean that skills become redundant and, unless the workers are constantly updating their skills, they too may become redundant. The changes in technology are unrelenting and so learning and mastering new skills must be a constant and lifelong process.

(b) Candidates once again tended to ignore the task and write everything they knew about trade unions, much of it inappropriate for Kidz Toyz. Extracts from the case study were important and the statement that Trade Unions were not really necessary at Kidz Toyz was vital. Again the material in the case study provided much of the answer required.

Task 3

This task aimed to test assessment objective 3.0 and the candidates' ability to understand the different employment contracts available, as well as the difference between recruitment and selection.

(a) This was a very straightforward task that generally provided good answers. Some candidates decided to split the full time permanent into two parts and a number neglected the second part of the task – contracting out to employment agencies. Those that did answer both parts, either provided an unbalanced answer, or showed a confused knowledge of contracting out.

(b) This is a popular area, but as always there is still confusion over the split between recruitment and selection, with many candidates unable to separate the two. The result was that many candidates described the entire recruitment and selection process. Despite this, there were many very good answers to this task.

Task 4

This task aimed to test assessment objective 4.0, namely the confusion that exists between working patterns and contracts. Communication systems are often quoted as a list and so this task was also designed to test the detailed knowledge of the types and use of communication systems.

(a) There were very few candidates who confused contracts with working patterns and the majority of candidates produced very good answers to this task. It was clear that the 'appropriateness' was a problem for many, but this did not stop candidates from trying to justify why these patterns might be used.

(b) This was the most poorly answered task of the entire paper. Candidates either ignored the task or failed to read the case study. Many of the communication methods listed were not relevant. The case study clearly details four communication systems that are used by Kidz Toyz and the task asks for the candidate to evaluate these. An inability to read the task properly led to many of the candidates receiving zero marks for this task.

Task 5

This task aimed to test assessment objective 5.0, principally the link between training and development and the difference between financial rewards and fringe benefits.

(a) Candidates were able to explain the training methods used by Kidz Toyz and in many cases how these developed the workers, or why they were used. What proved to be more difficult was the assessment of the effectiveness of those training methods. Only the very best candidates even attempted any type of assessment. Although this was similar to **Task 2 (a)** it was not the same and too many candidates simply repeated their answers to **Task 2 (a)**.

(b) Every candidate was able to list financial rewards and fringe benefits, some even used those from the case study. A list was not required, but an explanation of the differences was. This was a little more difficult for many of the candidates and so the marks awarded for this task were moderate. The task itself was not complex, any candidate who could explain that financial rewards were monetary and fringe benefits were non-financial or perks given to workers, scored reasonably well. Once again candidates who read the task properly did far better than those who discussed the 'topic' of the task.

BUSINESS ADVANCED LEVEL

Paper 8929/5176

Interpersonal Business Skills

General comments

It is very important to read and understand the requirements of each module; these are set out in the various booklets. Some candidates submitted interesting reports on the subject of interpersonal business skills but failed to evidence the objectives or competence criteria in the report itself.

It is appropriate that candidates actually carry out specific tasks and write up the outcome of the task as evidence or provide an analysis what happened. To act only as a witness or observer, especially to a presentation or investigation does not meet the requirements of the assessment. In one instance a case study was used to complete the assignment. This was not appropriate because the candidate was unable to comment on a real life survey or subsequently make a presentation to a group.

The section in the module booklet entitled 'Assignment Guidelines' should always be followed to ensure all aspects of the subject area are covered and that the report is presented to the Examiner in the proper format. A landscape style of presentation was seen from one Centre and this is not appropriate to this module.

Specific Comments

Some candidates were not successful and a number of weaknesses contributed to these assignments. These included:

- The candidate failed to include a section on self-evaluation.
- No Assignment Cover Sheet used.
- The Assignment Cover Sheet used was not complete.
- Items included in the Appendices were not titled.
- Assertiveness was weak in the report and where this is a cultural issue then this should be stated alongside a comment from the candidate that the value of assertiveness in the business world is understood.
- Some objectives had not been demonstrated in the report.
- Apparently the candidate had not made a presentation to a group.
- Praise and criticism were not mentioned.
- There were no reference sources quoted by the candidate.

BUSINESS ADVANCED LEVEL

Paper 8929/5177

Business Start-up

General comments

The reports submitted by candidates all had a very good layout and were well presented for marking. However, in some instances, candidates could have made a greater effort to demonstrate the module objectives in their reports. Comments could have been extended, in several areas, as this is an Advanced Level module.

Assignments: Guidelines

The syllabus outlines the procedure for conducting the assignment for the Business Start-Up module. The syllabus also includes an assignment cover sheet for candidates to fill out and a candidate assessment record for completion by the teacher.

Teachers should read the **'Assignment Guidelines**' and **'Criteria for Assessment'** sections of the module before starting to teach the module. It is important to begin to identify possible classroom activities at the planning stage. Teachers can then ensure that relevant information is covered in teaching sessions and build up a bank of essential resources. Any visits required to ensure the successful completion of the assignment can be scheduled into the module programme.

The assignment details should be given to candidates early in the module. This will allow candidates to begin their own research and planning. When the assignment brief is distributed, teachers should provide an oral briefing for candidates. They should talk through the assignment and explain clearly what is expected.

Teachers can indicate to candidates where the relevant information can be accessed but should not assist the candidate with the research and selection of material, apart from arranging appropriate visits and providing opportunities for the completion of specific tasks. Depending on the nature of the investigation, it is quite acceptable for the Centre to issue candidates with appropriate data recording sheets such as checklist pro-formas.

Candidates are encouraged to use local knowledge as well as investigating business in other countries. Any tasks given in class time or conducted by the candidate must also be linked to the Criteria for Assessment given in the syllabus. In this way candidates are encouraged to carry out research, put information together and start their bibliography. Both the teacher and the candidate should be clear which part of the module is being assessed in each task or section of their report, so that they can easily reference the evidence when they have finished the whole assignment.

It is pleasing to note that the majority of Centres are now checking coverage of the Criteria for Assessment before submitting work to Cambridge. However, it is useful to remind centres, especially those who are new to the on-demand module of the Diploma in Business, to check that all assignments are complete before sending the work to CIE for assessment. This can be done by using the Assignment Cover Sheet for candidates to check that:

- all the assessment objectives for the module in the syllabus are covered
- each assessment objective is identified, by section or through tasks in the assignment. This is especially important where one task or piece of information covers a number of assessment objectives
- evidence for the required competence criteria (as given in the syllabus) is identified by page number or section in the assignment
- the work shows evidence of the required knowledge and skills (it does not have to cover all items listed in the knowledge and skills criteria section – only those which are relevant to the tasks)
- the information provided is clear and focused

- there is a bibliography
- that there is evidence of self evaluation

Candidates should be discouraged from collecting and inserting large amounts of secondary information which does not correspond to the assessment objectives. Where secondary information is included, it should be attached as an appendix and clearly referred to in the text. There is no point in candidates including material unless direct reference is made to it in a section of the written report. Material extracted from websites must be interpreted and applied appropriately by candidates.

Assignments can be presented in different ways using graphics, charts, diagrams etc. as well as text. Assignments have a restricted word count and Centres should encourage candidates to keep their assignments within this word limit. However, words included within tables, on graphs or annotated on illustrations are not part of the overall assignment word limit. No matter which way the information is presented, it is important that the candidate clearly identifies how the information is related to the different aspects of the module being assessed.

BUSINESS ADVANCED LEVEL

Paper 8929/5178

Customer Care

General comments

A good number of reports submitted by various Centres were of very good quality but others were not so well laid out and presented for marking. Some reports contained errors in the text, which had been identified by the candidates but not corrected before submitting the work.

Student Assessment Record sheets and Assignment Cover Sheets had, on occasions, been omitted and sometimes not fully completed by the teacher/candidate. This is important because it indicates what the candidate has achieved during the course and provides a link to the evidence detailed in the report.

Specific Comments

Some candidates were not successful and a number of weaknesses contributed to these assignments. These included:

- The candidate did not provide a proper self-evaluation of the strengths and weakness in carrying out the investigation or making a presentation.
- Student Assessment Record sheets and Assignment Cover Sheets were not used or in some cases not complete.
- Errors had been left in the text of the report; these should have been identified and corrected before submitting the work for marking.

BUSINESS ADVANCED LEVEL

Paper 8929/5201

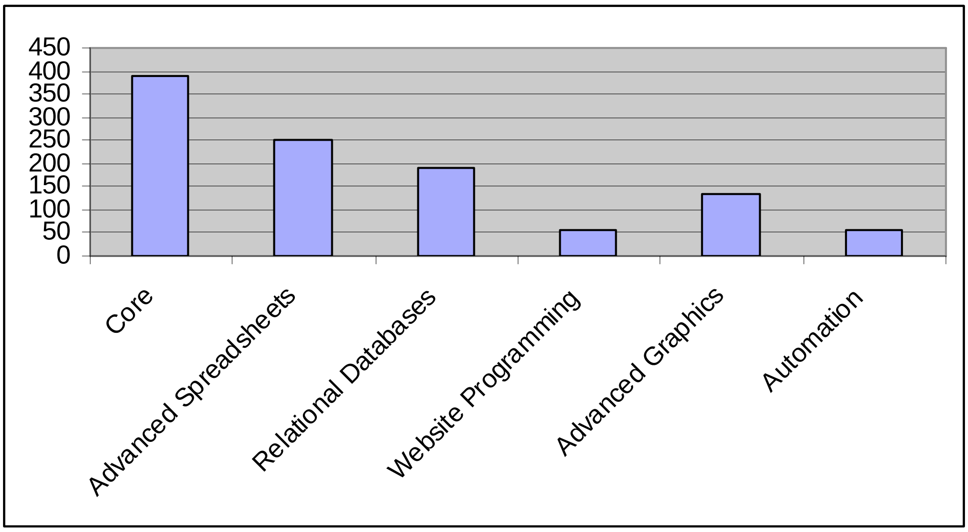
Information and Communications Technology and Core

General

The scheme has had a successful year with entries of 8307 marginally below the 8480 in 2004-5. The award was available in English, Spanish and Greek. The total numbers of entries in English were 6530, of which 1460 entries were at Foundation Level, 3987 were at Standard Level and 1083 at Advanced Level. This indicates a significant increase in numbers in the Standard Level entries. The entries in Greek remained static and the entries in Spanish have shown a small increase on the previous year, with a total of 653 entries during this year.

Advanced Level

This level comprised a Core module and five enhancement modules.



There overall pass rate for these modules was slightly improved on those from last year.

This module continues to be popular. The most common errors were:

- The failure to submit all the required printouts, particularly the two different copies of the document production section. A significant number of candidates completed and printed the final version of the document but failed to submit the intermediate printout of their work.
- Errors in searching and sorting the database extract (particularly in maintaining the data integrity).
- Errors in page layout with the failure to set margins or column widths as specified.
- The failure to resize the imported graphic or to text wrap around this graphic.
- The failure to understand the generic terms serif, and sans-serif. Many candidates tried to locate these as font styles rather than understanding that fonts such as Times New Roman contain short strokes or serifs on each letter, and that sans-serif fonts are without these.
- Errors inserting new text into a numbered list and renumbering as specified in the question paper.

BUSINESS ADVANCED LEVEL

Paper 8929/5247

Organising Meetings and Events

General comments

The candidates' overall performance ranged from excellent to quite poor. Some candidates were well prepared and correctly organised **an event**, as required.

Some candidates did not submit completed Student Assessment Records and/or completed Assignment Cover Sheets. These confirm that the Assignment is the candidate's own work and should indicate that work taken from another source is appropriately referenced and acknowledged. Assignment Cover Sheets have also been designed to enable candidates to check that their work is complete and has covered all the required competence criteria. Both documents should be completed and signed by candidates and teachers (pages 64 to 68 of the Advanced Syllabus refer).

COMMENTS ON THE WORK OF CANDIDATES

Most of the candidates produced reports that were legible and detailed. Teachers should note, however, that a description of best practice is not sufficient evidence for success in the Assignment.

Candidates often did not give specific information on what they actually organised, how they did it, when and where, with whom they communicated and how they did so. Various documents had been produced, but candidates' organising skills were not always apparent. Candidates, especially at the Advanced Level, should be using monitoring aids efficiently, for example, action plans, schedules and checklists. One of these aids should then be used and copies submitted as part of the candidates' reports, as clear evidence of the organisation process followed by candidates.

Some candidates mentioned the communication methods they used, but very few included the reasons they chose these particular methods. Copies of letters, emails, agendas, notices of meetings, minutes etc (where meetings were held as part of the organisation of the event), invitations, venue brochures, name cards, banners, notices and transcripts of face-to-face and telephone conversations were often submitted. However, no specific detail had been given of what communication methods were used and the factors that influenced their choice. (For example, an email written to a colleague would use an informal approach and style of writing, whilst an email to a Managing Director would be more formal and take account of that person's role in the organisation.) Competence Criteria 1.1 (page 59 of the syllabus) and 2.1 (page 61) refer.

The selection and use of effective monitoring aids, such as checklists, diaries, work schedules, etc as a means of effective and efficient event planning should also have been highlighted. Candidates are required to assess the planning, organising and monitoring methods they actually used (Competence Criterion 2.2, page 61 of the syllabus refers). They should then state whether or not these monitoring aids were successful and what they would do differently when they organise their next event.

Many candidates included lengthy descriptions of the secretarial and chairpersons' roles and procedures and lists of meeting terminology. These are not required, but candidates are not penalised for including this information in their assignments.

A brief introduction describing the event would be very helpful, as it was sometimes difficult to determine what event the candidates had actually organised. However, a comprehensive description of the business for which the event is being organised is not required.

GENERAL COMMENTS

Candidates and teachers are advised to read the Assignment Guidelines given on pages 69 and 70 of the syllabus very carefully. The step-by-step approach included in the Introduction on page 69 is highly recommended, as this will help candidates to plan and carry out their assignments.

It is also recommended that candidates discuss with their teachers the event they are able to organise. Some candidates have been rather ambitious and would be better advised to organise a **small** event. Once they have decided the actual event that they intend to organise, they should then work out how this could be done. Candidates should write a plan of how they intend to carry out the various tasks that will be required. They should then discuss the plan with their teachers. Centres should note that candidates who cannot organise an actual event may organise a simulated event, but all the assessment requirements listed in the syllabus must still be met.

Each candidate must produce evidence of his/her own planning and work schedule. Copies of documentation, such as invitations, agendas and minutes of meetings (if appropriate), emails, notes, short reports, transcripts of telephone calls and face-to-face conversations, publicity for the event, etc should be included in the report. Evidence can include video and/or tape cassette material, but this should be authenticated by a teacher's observation statement (page 70 of the syllabus refers).

Candidates should consider:

1. what type of event they can organise
2. the documentation which would be appropriate for the event
3. the time, date and venue for the event
4. how they propose to organise the event
5. what facilities they have to help them
6. how to ensure everything necessary is organised – methodical working is crucial
7. production of documentation that is complete and clear
8. what communication methods would be appropriate and also the effect work roles and relationships will have on the communication methods they choose
9. timescales involved.

The production of the report should be considered right from the start of planning, not left to the last minute. Candidates who made notes and who thought out the organisation of the event and the report from the outset were often the most successful in their assignments.

Candidates may wish to note the following points for successful report writing:

- A brief introduction at the start of the report should describe exactly what the candidate has organised.
- The actual planning and organisation of the event.
- Full details on the organising and monitoring methods that were used.
- A brief statement as to whether or not the organising and monitoring methods were successful.
- A short paragraph of what the candidate would do differently next time, if appropriate.
- A brief paragraph giving the communication methods used by the candidate, together with an explanation of the factors that influenced the communications they used.
- Copies of all documentation and transcripts of telephone and face-to-face conversations.
- A conclusion on the success of the event.