BUSINESS STANDARD LEVEL

Paper 5169

Business Organisation and Environment

General comments

This paper should have been more accessible than its predecessor. Candidates were presented with the usual range of tasks but with 36 assessment points compared with 28 previously. Each task carried either 2 or 4 marks. Candidates were offered, therefore, a number of short tasks calling for crisp and succinct answers that rehearsed the knowledge required – as is appropriate at Standard Level.

It is recognised that most of the candidates undertake the examination in a second language and so incorrect spelling and grammatical errors are ignored in favour of the quality of their responses. The demonstration of business knowledge and, where required, the evidence of reasoning are more important than the quality of language. Teachers must reassure their candidates that this is the case. However, it must be equally understood that poorly expressed answers, especially those expecting the Examiner to guess the meaning, will not be very successful.

Arising from this examination, there are some general issues which require consideration:

- Candidates must ensure that they understand what the Examiner wants them to do. *This means they must read the Examiner's instructions very carefully.* All too often candidates fail to earn good marks simply because they either misread or fail to comprehend a task.

- It needs to be reiterated that candidates are allowed 15 minutes' reading time in order to become acquainted with both the case study and the tasks. It is important for their success in the examination that they make full use of that time because all the tasks are related to the case study.

- Mostly, the tasks ask candidates to *describe* or *explain* and a typical problem is that candidates do not offer satisfactory descriptions or explanations. A number of answers were limited not because of any specific weakness in knowledge but rather because the explanations lacked substance. A description or explanation does *not* require a bullet-point answer; although the essential points are rewarded but the candidate is likely to be denied access to full marks.

- The whole point of having a case study is to expect candidates' responses to be made in the appropriate context. Some tasks test general business knowledge but they are related to the case study and should be answered accordingly. Marks may be lost if context is overlooked.

- Clearly some candidates are not earning the level of marks they would otherwise deserve. *Examination technique must always be a matter of concern and teachers are advised to give it full attention when preparing candidates for the examinations.*

Comments on specific questions

The case study was about The Ethical Trading Enterprise plc (TETE) which was formed in response to the growing awareness that producers in the developing countries should get fair prices for their products. The company traded mostly from India and Africa and imported textiles, rugs, furniture, jewellery, carvings, and beauty products.

Task 1

(a) The Ethical Trading Enterprise was a public limited company and candidates were asked to identify and describe two features of a PLC. This was a fairly standard task and candidates had several appropriate points to choose from e.g. limited liability; ease of selling shares; continuity; separate legal identity; and public listing potentially enabling a large amount of capital to be raised. Generally this task was well answered although a number of candidates were confused by the reference to 'public' and thought that TETE was located in the public sector.

(b) (i) Candidates were asked to explain TETE's objective *to satisfy its customers*. This task was not very well tackled as many candidates failed to acknowledge that without customers there was no business. The company was in the luxury or non-essential market and had targeted those people with sufficient disposable income to spend on Indian and African craft artefacts. The satisfaction element came from offering a suitable catalogue and guarantees of service, delivery, and quality.

(ii) The second objective of TETE was *to make a profit*. Despite its approach to fair trade, TETE was a commercial organisation with profit as a clear incentive. Some candidates explained that profit was left over after all expenses had been paid but that was not what the task asked for. Candidates should have justified the profit motive by making just one or two simple points like profit being TETE's reward or payment for risk-taking; providing investors with a share of the company's success; and being a source of future capital for the company.

(c) (i) This task addressed fixed and variable costs and candidates were required to offer clear descriptions of them both i.e. *Fixed costs* must be paid by TETE regardless of whether it sold anything or not – examples being insurance, salaries, and premises. *Variable costs* change with the amount of TETE's activity – the more goods they bought and sold, the higher the variable costs e.g: importing the goods, casual staff costs to meet higher demand. This task was mostly well understood.

(ii) Candidates were asked to describe an *invoice* and this task proved largely unsuccessful as most confused it with a delivery note. The description should have recognised that an invoice was sent to a purchaser (like TETE) who had bought goods on trade credit and was a request for payment. An invoice would normally contain reference to details of the goods/services bought; delivery charges; prices; taxes; payment terms.

(iii) The third financial term to be considered was *break-even analysis*. Most candidates correctly suggested that break-even was the point at which revenue equals costs but did not address the issue of analysis which was the point of the task. Candidates needed to explain that the break-even analysis could help TETE to calculate or forecast results given changes in cost prices, selling prices, other costs and level of supplies.

Task 2

(a) (i) Candidates had to explain how *shareholders* could be considered stakeholders of TETE. This was not a demanding task and candidates needed only to acknowledge that they had invested capital to form the company and were, as a consequence, the real owners of TETE. Shareholders were directly interested in TETE's performance and profitability.

(ii) Candidates had to consider *the African and Indian producers* and how they might also be thought of as stakeholders in TETE. The point to be made was that the success or otherwise of TETE affected the producers directly. The producers relied heavily on TETE to market and distribute their artefacts world-wide – their livelihood depended on it.

(b) (i) This task was concerned about the *power* of TETE's directors to declare a dividend. This was not, in the main, successful. Indeed, tasks addressing the powers and duties of company directors very rarely demonstrate sound knowledge among the candidates. It is a fact that investors are not automatically entitled to receive dividends although clearly they must have a share of the profits at some time else they would not invest. The directors have the power to decide whether or not a dividend is to be paid e.g. the profits may be insufficient; there may be a need to plough back the profits in the company.

(ii) This task focused on a *duty* of TETE's directors, namely to act as agents of the company. Very few candidates demonstrated any meaningful knowledge. This task and its predecessor continue to yield weak answers. Candidates needed to say that TETE acted through human agents i.e. the directors who could not be held personally liable for decisions or actions so long as they acted in good faith. Any illegal action was clearly excluded from this indemnity.

(c) (i) Candidates were asked how TETE's hierarchical structure helped management to organise the employees. Responses should have offered one or two firm points e.g. that the responsibility and authority of an employee was identified; that all employees knew their respective roles; that the structure reflected the channels of communications both vertically and horizontally; and that as authority was clearly displayed, it was easier to supervise groups of employees.

(ii) This task focused on how the hierarchy helped to identify the chain of command. Responses should have considered that the structure could be readily displayed in chart form; that instructions flowed downwards and reporting-back flowed upwards; that the chain is seen as a vertical line of authority flowing through the company organisation. Both this task and (c)(i) above were not well done as candidates clearly did not know enough about the structure of business organisations in general or TETE in particular.

(iii) Candidates were asked to nominate and describe a third feature of how the structure helped management in its task of organising. Few candidates were able to offer a relevant factor although the more obvious selections were target setting, co-ordination of resources, and communications.

Task 3

(a) (i) This and the two following tasks deal with the employees' reasonable expectations of TETE, their employer. It is a familiar and regular task. Candidates were asked to consider *appropriate training* and mostly the responses were competent and informative. They tended to emphasise the points that training helped to make the employees become more productive; that it gave them more satisfaction from their work; and that it helped them to achieve better earnings and promotion. These points, although valid, largely ignored the issue of context. Very few candidates mentioned the call centre staff or the fact that the buyers who went overseas needed specialist training and updating.

(ii) The second expectation concerned *financial and non-financial incentives*. The task was quite well answered and there was clear understanding of incentives and good examples were given e.g. bonuses, commission, pensions, medical insurance and profit sharing. There were candidates who identified wages as an incentive without considering the following expectation which dealt with pay. Most candidates acknowledged that an incentive was a reward to encourage staff loyalty and/or better performance.

(iii) The third expectation addressed *suitable conditions of work and pay*. Candidates tended to recognise the salient points: that employees wanted fair pay; that they should not work in unsafe and health threatening conditions; that they should be provided with appropriate protection against, e.g.: computer screen glare, and fatigue in the call-centre; that they should have adequate lighting, heating, working space, rest periods.

(b) (i) This task asked candidates to explain job sharing and to identify one benefit it gave to the employees. A significant number of candidates did not fully appreciate either the meaning of job-sharing or the likely benefit to employees. A simple definition only was required which described TETE's employment situation where two people shared one full-time job usually on a 50:50 basis with each employee being paid pro rata. The main benefit of job sharing enabled an employee to be economically active and contribute to TETE on a part-time basis; work could be fitted around e.g.: family demands, studying.

(ii) Mostly this task was not well done. It asked for an explanation of teleworking and to identify one benefit of it to the company. The case study was almost entirely overlooked despite it giving solid clues to the answer. The majority of candidates defined teleworking as working over the telephone in which case every office worker is a teleworker. Teleworking enabled TETE's buyers (see the case study) to work in any location e.g. at home, on a train or aeroplane, overseas etc., so long as there was a link between them and head office, essentially via a modem, but fax and telephone were not excluded. The benefit to the company was that teleworking made the buyers more productive as they could file orders and reports without having to attend head office.

Task 4

(a) (i) Every business organisation is affected in some way by external (or PEST) factors. This three part task should be familiar to teachers as it appears every time. Candidates were asked to consider how TETE might be influenced by *changing technology*. Responses should have noted that as TETE was dependent on computer technology so changing technology must therefore affect the company. The task was tackled competently but few candidates were awarded the full marks largely because the context was ignored. The issues requiring ventilation were: **a**s **c**omputer technology is always changing, is TETE setting aside sufficient funding and investment to update its equipment? If it doesn't update occasionally, will TETE become uncompetitive and inefficient? Are there any training/recruitment implications?

(ii) This task addressed the *trade cycle* which was perhaps only weakly understood by candidates. The basic definition (the cycle from boom to slump, then recovery and so on) was expected and then should have been applied to TETE i.e. that the cycle affected TETE because it was in the luxury market and people could afford spend in boom times but curtailed their expenditure during an economic downturn. TETE's profitability and activity would reflect the trade cycle.

(iii) The third factor was left to each candidate to choose. The responses were disappointing as few candidates were able to identify a relevant factor e.g. competition, taxation policies, distribution of income.

(b) (i) This task focused on the factors which may have affected the idea to relocate TETE's call centre to Delhi or Singapore. The first factor was *the availability of labour and skills*. Again, whilst most candidates recognised the factor in general terms, the context was absent. Both Delhi and Singapore are areas where there is highly skilled and educated staff. Both areas have knowledge and experience of computer technology and its applications: besides, many western companies have already established their call-centres there. TETE should have no difficulty in recruiting excellent employees at much lower employment costs than in Europe.

(ii) The second factor to be considered was one of *incentives*. The majority of responses related this task to the incentives TETE would have given to the staff (see task 3(a)(ii)) instead of addressing the likely incentives TETE might have been offered by the Indian or Singaporean governments e.g: employment grants, tax holidays. Occupancy, land and labour costs are cheaper than in Europe. It could be argued that TETE would see the location itself as an incentive as it was nearer the producing areas and distribution centres.

Task 5

(a)(i) Accepting that TETE needed to maintain its good reputation, candidates were asked to explain what a *customer relations policy* was. Generally, candidates provided a competent response by explaining that such a policy indicated how to satisfy customers and influence positively their relationship with TETE. The policy would ideally contain, for example, how customers were to be treated, how orders were to be fulfilled, the procedure to deal with complaints and problems. However, most candidates overlooked context and, in order to get full marks, should have stressed the fact that TETE dealt with imported goods and sold only over the Internet which meant that the policy needed to offer customers certain safeguards. The case study actually said '…a customer relations policy is even more important when sales are made over the Internet.'

(ii) Candidates were asked to list four ways in which TETE could maintain customer loyalty and satisfaction. The key word here was LIST and all candidates were required to do was just that – *make a list* of appropriate ways. It was not uncommon to read narrative and explanations. This task was another case of candidates not reading what the task required. The case study was not specific about the issue but there were sufficient indications about TETE to suggest suitable ways in which the company could maintain customer loyalty. Examples include: secure on-line purchasing system; refunds/replacements for faulty goods; compensation for e.g. unnecessary delays, sub-standard service; guaranteed delivery time; no-quibble 30 day returns service; guarantees on quality and specification.

(b)(i) According to the Managing Director, the market for TETE's goods was dictated by three specific factors. Candidates had the task of explaining three factors (which were drawn from the 4Ps or 7Ps). The first factor was *price*. Candidates gave competent responses but all too often they missed the important contextual point. On the one hand it was recognised that the price structure appeared reasonable as TETE had little problem selling world-wide because there were enough people with disposable income to buy the artefacts. On the other hand it should have been noticed the price needed to be set at a level which enabled TETE not only to make a profit but to pay the producers a 'fair' return i.e. the object of the business.

(ii) The second factor was *product*. The products sold by TETE were of good quality and generally considered to be luxury items. Candidates needed to recognise that people travelled more and there was a growing awareness of the richness of Indian and African art and design. The products were appropriate and represented style, status and certainly pride of ownership. Disappointingly there was little reference to the case study in the responses.

(iii) The third factor was *educated customers*. This task has a slight link with the one previously. Many candidates missed the focus and spoke about customers knowing more about consumer law or marketing instead of relating to the purpose of TETE. It was the company's argument that its customers were better educated about the need to help developing communities to become self-sufficient. TETE's marketing was directed at the educated middle class with disposable income. Customers could buy something interesting on the one hand but know, on the other, they were directly assisting producers in the developing areas.

BUSINESS STANDARD LEVEL

Paper 5162

Effective Business Communication

General comments

Candidates in this session demonstrated a good overall knowledge of the subject area; however there were only a few excellent scripts, which was quite disappointing. As mentioned in previous reports, many of the answers continue to be quite basic, lacking depth and breadth. Bullet point answers can only show a basic level of knowledge. Higher level marks are awarded to more expansive answers, which usually demonstrate application of knowledge and understanding to the situation in the case study. Well-written sentences, which cover the requirements of the task within the context of the case study, are to be encouraged.

There is a considerable amount of material available through CIE to support candidates in examination preparation, such as past question papers and examiner reports. It is very important to make sure that this material is utilised to support exam preparation.

Time management appears to have improved, with many of the papers having a full set of answers. This was very encouraging for the marking team.

There appear to be some common reasons for disappointing candidate performance:

- Many candidates know the basics of the syllabus, but do not apply the relevant concepts to the case study scenario i.e. they fail to apply their knowledge to the situation given in the case study.
- The work must be focussed on what the task has asked for. Some candidates tend to waste time by writing all that they know about a particular topic without any attempt to make it relevant to the the task. Lengthy, generalist answers, which are not related to the case study, do not attract higher level marks
- Some candidates do not read/analyse the requirements of the task sufficiently, perhaps due to the pressure of the examination situation. This failure to read the task carefully results in low or no marks being awarded. Tutors can help candidates develop this skill by discussing past papers during teaching sessions and by providing practice sessions under exam conditions.
- Candidates should be encouraged to identify the concept or competence criterion which is being tested and then identify how they should respond. Each task either relates to a different topic or asks for a different type of response. Prompt words tell the candidates what they should do e.g. list, explain, write, give examples etc. If a candidate finds that they are repeating themselves, then they should re-read the question to check that they have understood what is required.

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

Comments on specific tasks

Task 1

(a) This task required candidates to explain why it is important to keep employees up to date with changes in the organisation given in the case study.

Answers should have included reference to:

- Communication being necessary for successful operations
- The need to convey key messages to internal staff
- The need to be able to send and receive ‘two-way’ communication
- The need for staff to be able to communicate effectively with the organisation’s customers, not misleading them etc.

Sadly, many candidates failed to read the task carefully, and provided tools for communication instead of ***reasons*** for communication. Not reading the task meant that those candidates often offered the wrong answer or failed to gain higher marks.

(b) Candidates were asked to suggest three methods of communication that the organisation could use to communicate with staff based in India, to tell them about the opening of the new offices in the UK and USA. It was hoped that candidates would realise the importance of selecting 'two-way communication', but sadly many candidates opted for 'one-way' communication, not realising the importance of providing employees with an opportunity to ask questions about the new offices, so that employees could understand the implications for the organisation and for themselves as individuals.

(c) Candidates were required to suggest three effective methods of communicating the details relating to the opening of the new offices to customers. Because of the logistics of such an exercise, 'one-way' communication tools were deemed most appropriate. However, for important customers, two-way communication could also be an important tool. As a result, answers should have included:

- Letters
- Emails
- Telephone conferences
- Sigma website
- News letters

Generally this task was answered quite well.

Task 2

(a) Letter and memo writing often feature in 5162 Standard Level Effective Business Communication examinations. It was encouraging to see that some of the issues raised in past Examiner reports have been noted and addressed, with candidates actually scoring more highly in this area than previously. Standard letter salutations/openings and closures have improved with more candidates observing Dear Sir and Yours faithfully, or Dear Mr or Mrs, and concluding with Yours sincerely. Also, encouragingly, more candidates are including calls to action in their letters.

Candidates faired quite well in the letter writing area, and seemed able to focus on the structure of the letter, ensuring there was a date, company logo and title reference to the letter, along with appropriate closure. The salutations and closing also seemed to have improved compared to previous sessions. The average mark for this task was around 8/9 out of 12.

A good answer would have included:

- Logo/letter heading of the company
- Date
- Reference (number or title)
- Appropriate salutation Mr/Mrs
- The body and content of the letter – well developed and applied
- Appropriate closure and call to action
- Yours sincerely (not yours truly or your always)
- Signature and position

Candidates need to develop the body and content of the letter in order to gain the higher level marks. The mark scheme awards marks on the basis of the format (correct headings etc) ***and*** content (information given in the letter). Candidates need to understand that Examiners look at the letter as a whole when assessing the answer. It appears that many candidates have problems with the body of the letter, where details such as information about the business etc. are given, and therefore are unable to gain the higher level marks. Candidates would benefit from practice in this area.

(b) Candidates did relatively well here as memo writing often features in 5162 Standard Level Effective Business Communication examinations.

Candidates were very good at the overall structure, but weaker in the general body of the memo. The same comments apply as have been written for **(a)** above. The body of the memo should have included information on the presentation, confirmed the date of the presentation and stressed the importance of the presentation. In essence, giving some background and providing a rationale of the situation is very important and expected in this examination.

Good answers would include:

- Logo of the company
- Date
- Who the memo was to i.e. internal staff
- Subject; presentation
- The body and content of the memo – summary details etc.
- Appropriate closure
- Initials or signature only

The content and tone of the memo should be persuasive and impress on staff how important the two new qualifications are to the business. The application of the task to the case study is very important and answers should be written in the context of the case study if candidates want to maximise their marks.

Task 3

This was a three-part task, relating in particular to meetings, but with an emphasis on a variety of business communication issues.

(a) This part of the task required candidates to explain four characteristics of a successful meeting. Generally candidates did well here and included key answers such as:

- Being well organised
- Having an agenda
- Having a chair person and a minute taker
- Having purpose/aims and objectives
- Having minutes taken to record the meeting and the associated actions

(b) The second part of the task asked candidates to consider, in the context of planning for the Internet operation, four factors that would affect the group of buyers when they work together in a team. Good answers included:

- The size of the group
- Group culture
- Group processes
- Expectations of the group
- Expectations of the individuals within the group

(c) The final part of the task focused on identifying two verbal and non-verbal actions that should be avoided if the meeting was going to be a success. Good answers included:

Non-verbal communications

- Poor facial expressions and gestures
- Staring
- Glaring
- Poor eye contact
- Folded arms
- Hands behind ones head
- Finger pointing

Verbal communications

- Shouting
- Raising ones voice
- Use of bad language
- Use of jargon
- Whispering

Candidates generally did this well. However, some candidates did not read the task carefully and therefore failed to realise that the task focused on communication to be ***avoided*** and so provided answers of positive, rather than negative, communication. This again highlights the importance of reading the task carefully.

Task 4

This task almost always focuses on different types of interviews, and on this occasion it was a promotion interview.

(a) In this part of the task candidates were asked to identify four purposes of holding a recruitment interview, which many candidates did well. Good answers included the following points:

- Identification of personal characteristics and whether or not they match the organisation's requirements
- Sharing information about the company with the interviewee
- Enabling the interviewee to ask questions about the company
- To assess whether or not the interviewee would fit in with their immediate team in the organisation
- Identifying whether they have the right personality traits and skills
- Assessing whether the interviewee's personal appearance is acceptable for the job role
- Determining whether the interviewee is punctual.

Generally candidates scored 3 out of 4 marks for this task, and some were awarded full marks.

(b) The task asked candidates to explain the meaning of semi-structured and non-structured interviews. Candidates often struggled with the requirements of this task. More emphasis on these two interview methods is important, so that candidates are better able to understand the application of these different methods to interview situations.

(c) Candidates were asked to write guidelines on how to plan for interviews for a new Internet team.

A good answer required candidates to expand on the key points relating to preparing interview guidelines and not just to write out a list. Candidates tended to give a list of bullet points, with little elaboration, but the thrust of the answers was generally accurate.

Essentially, good answers would recognise the need for setting aims and defining the purpose of the interview; deciding who should be present; identification of appropriate questions for the interview; deciding which documents are necessary; time and location confirmed; being aware of verbal and non-verbal behaviour in the interview; deciding how the recruitment decision would be made and who would be involved; and how appropriate feedback would be given. The need to make notes on any critical issues which arise during the interview and to ensure that time is taken afterwards for a decision to be made would also be mentioned. Arrangements for acceptance and rejection letters to be sent out after the interview should also be in place.

The mark scheme awards marks in grade bands and, like other tasks, candidates generally fell into the middle of the grade bands, with only a few getting full marks.

Task 5

This final task was a three-part task, and candidates who completed the question paper in full tended to do quite well.

(a) Candidates were required to explain why bar charts, line graphs and pie-charts were useful in helping customers understand information relating to sales. Candidates appear to be quite clear on pie charts, but seem to get a little muddled and confused about the differences between bar charts and line charts. Many candidates seem to think that bar charts are good at showing trends, when actually this is more likely to be line charts. Clearly a little more input in terms of teaching and learning in this area may be helpful, as these forms of communication are critical in a business context.

(b) This task asked candidates to explain why organisation charts are helpful in understanding organisational structures. Very encouragingly many candidates were able to include the following ponts in their answer:

- Showing lines of authority
- Showing lines of communication
- Showing status in the organisation
- Showing responsibility

(c) The final task on the paper required candidates to explain ways in which technology could help improve a presentation. Candidates were often a little unsure of this area of the syllabus. Good answers would have included:

- Power Point Presentations
- Graphics
- Constructed charts
- Animated technology
- Multimedia aids

BUSINESS STANDARD LEVEL

Paper 5163

Business Finance

General comments

The overall standard of the responses provided by the candidates in the May 2007 examination was rather disappointing. There appeared to be significant gaps in the knowledge of some candidates, whilst others showed poor time management. Centres are urged to stress to their candidates the importance of managing their time well by reading the mark allocations carefully so as to use their time more effectively.

Comments on specific questions

Task 1

The answers provided for this task were generally satisfactory with most candidates able to provide responses for the majority of the tasks **(a)** to **(f)**

Task 2

The answers to part **(a)** were satisfactory with most candidates able to explain the nature of double entry book-keeping.

The answers provided for part **(b)** were rather disappointing with many candidates scoring less than half marks. This would seem to indicate a knowledge gap and Centres are urged to address this issue as a matter of urgency.

Task 3

The answers to this task were very disappointing with many candidates not able to attract the marks available. The answers to part **(a)** were generally vague and the majority of candidates were unable to provide a correct response to part **(b)**.

Part **(c)** produced some very weak answers with many candidates demonstrating a lack of knowledge regarding working capital management and confusing it with methods of raising additional finance.

Task 4

This task was approached quite well by the majority of candidates and candidates appeared to manage their time effectively given the mark allocation for the two elements.

Task 5

The answers to this task were very disappointing with only a small minority of the candidates able to produce a complete and correct balance sheet. Centres are recommended to address this issue as a matter of urgency in order to ensure that future candidates are capable of reaching their full potential.

Task 6

The responses to this task were satisfactory, although they could have been significantly better if the candidates had been more precise when providing explanations of the principles of accounting and their relationship to accuracy.

BUSINESS STANDARD LEVEL

Paper 5164
Marketing

General comments

It was pleasing to see some very good answers this session. Not only did some candidates demonstrate a very good understanding of marketing research and segmentation, some also put forward very creative 7 P marketing mixes for the online video game in the Case Study.

There appear to be some common reasons for disappointing candidate performance:

- Many candidates know the basics of the syllabus, but do not or cannot apply the relevant concepts to the case study scenario i.e. they fail to apply their knowledge to the situation given in the case study.
- The work must be focussed on what the task has asked for. Some candidates tend to waste time by writing all that they know about a particular topic without any attempt to make it relevant to the wording or requirements of the task. Lengthy, generalist answers, which are not related to the case study, do not attract the higher level marks
- Some tasks are not attempted. Many candidates still do not attempt all the tasks on the paper.
- Failure to read the task carefully. Some candidates do not read/analyse the requirements of the task sufficiently, perhaps due to the pressure of the examination situation. Teachers/tutors can help candidates develop this skill by discussing past paper tasks during teaching sessions and by providing practice sessions under exam conditions.
- Candidates should be encouraged to identify the concept which is being tested and identify how they should respond. Each task either relates to a different topic or asks for a different type of response. Prompt words tell the candidates what they should do e.g. list, explain, give examples etc. If a candidate finds that they are repeating themselves, then they should re-read the question to check that they have understood what is required.

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

Comments on specific questions

Task 1

(a) Generally this task was not done well. Although many candidates could identify two or three key benefits of developing a marketing orientation, few were able to link these to examples for Ages. There were numerous examples of benefits – ensuring customer needs were met by being innovative in the development of new games, increasing loyalty from existing customers by keeping in touch through direct marketing, and many others.

(b) In many cases candidates did not read the task carefully and therefore misunderstood the requirements of the task. The task referred to being marketing oriented, which many candidates misunderstood to mean a discussion of marketing and so repeated a lot of information from **(a)**. In terms of marketing orientation Candidates were expected to suggest key considerations for achieving market orientation in the business – for example, by getting all employees to work together for the benefit of the customer through internal marketing, ensuring processes are in place to ensure that the customer is a key focus of production, human resource and finance decisions as well as those of marketing.

Task 2

Generally this task was done very well and most candidates appear to have a good grasp of the importance and the practicalities of marketing research.

(a) Most were able to define marketing research as the collection and analysis of market or customer data to inform marketing decisions.

(b) This part of the task was also done well although the key aspect of reducing the risk of making an inappropriate decision was missed in many answers. Again this could have been linked to the Case Study using examples such as finding out what Chinese game players want as new games, or what an appropriate level of pricing might be for the new games.

(c) & (d) It was pleasing to see that many candidates now have a full understanding of the various sources of secondary research and the methods of collecting primary data. Unfortunately some candidates confused primary and secondary methods and so lost marks.

Task 3

This task was also done very well. The understanding of the research process and of segmentation was generally good.

(a) Many candidates were able to identify the process for gathering market information, although the descriptions of each stage were missing from many answers. A few candidates did not read the whole task and responded with either the marketing planning process or the new product development process. It is important that teachers cover examination technique as part of the teaching for this examination, and stress the importance of reading the tasks carefully.

(b) The term market segmentation was generally defined very well.

(c) This part of the task was done very well by some candidates, with good explanations of the fact that it could help save money, help specialise or focus on a particular segment or help gain advantage over competitors. However, it was unfortunate that many candidates incorrectly gave **ways** in which the market could be segmented instead of the **reasons** why the market might be segmented.

Task 4

Answers to this task were the most variable in quality. This question was most frequently unanswered. These aspects of the planning process have all been examined before and candidates should have been aware of what was required.

(a) Many candidates covered the macro element of the marketing audit well, referring to PEST factors. However, the micro and internal parts of the analysis were rarely referred to.

(b) SWOT analysis was covered well by most candidates.

(c) Most candidates recognised that objectives state what marketing is looking to achieve and some outlined what SMART objectives are.

(d) Most candidates explained the elements or Ps of the marketing mix but there was little evidence of explanation of the fact that the mix are the tactics used to carry out the strategy within the plan.

Task 5

(a) Some responses to this part of this task were very insightful, recognising that ‘process’ involves ensuring download and streaming speeds are fast and effective, for example. Others only answered four of the seven Ps and were very general, not linking their answers to the case study scenario.

(b) This part of the task was not done well – candidates failed to recognise the importance of the additional three Ps to AGES, who offer a service and not a tangible product. Many simply repeated what was written in part (**a**).

BUSINESS STANDARD LEVEL

Paper 5165

Human Resource Management

General comments

There is considerable evidence to suggest that the majority of Centres are now spending time on examination technique. A greater percentage of candidates now fully understand the requirements of the paper and there are fewer cases of candidates providing unnecessarily long answers or failing to complete all of the questions.

A word of caution is required. Some Centres appear to be teaching outside of the syllabus which should be avoided if it takes away from an understanding of the essential material and performance criteria given in the syllabus. The syllabus is a guide of what should be taught and what will be examined. To teach additional material to the exclusion of the core syllabus content disadvantages candidates.

Candidates are still finding the final part of each question, part **(c)**, difficult. The extended answer is worth 10 marks and should produce a detailed answer.

Comments on specific tasks

Task 1

(a) This task was answered well but confusion still exists between the ‘meaning’ and ‘purpose’ of HRM.

(b) This question was generally well answered but a significant number of candidates only explained one purpose, or failed to provide examples.

(c) Generally candidates performed poorly on this question. They repeated material from the case study, highlighted the problems or described changes in HRM generally. Candidates need to be coached so that they carefully read the question and provide the relevant answer to the question given.

Task 2

(a) This was answered well but many candidates decided to provide more than the required list.

(b) Candidates tended to provide answers that explained the role or functions of trade unions rather than the benefits which was what the question asked.

(c) There were many good answers to this question with ‘contracts’ and ‘minimum wage’ used as classic examples. The level of sophistication in some answers was extremely pleasing.

Task 3

(a) This question was well answered with the majority of candidates gaining maximum marks. There are still a few Centres where candidates appear confused between contracts and working patterns.

(b) This question was clearly and precisely answered by the vast majority of students. It should be remembered that full-time and permanent are not the same thing.

(c) Candidates responses to this question were very disappointing. This is a topic that is well taught but candidates seem unable to distinguish between recruitment and selection. Too many candidates simply explained the recruitment and selection process in it's entirety rather than answer the question.

Task 4

(a) The majority of candidates made a poor attempt at answering this question. Too many substituted 'methods' for 'systems' and those that did avoid this mistake highlighted a lack of knowledge in this part of the syllabus.

(b) Answers to this question were either exceptionally good or extremely poor, with very little in the middle. A lack of knowledge in this area is evident for many.

(c) Once again in this question candidates showed that whilst they might have the knowledge they find great difficulty in applying it. Too often when attempting to answer this question, candidates simply explained how a shift system operates and failed to answer the question set.

Task 5

(a) Answers to this question were either excellent or confirmed the fact that the candidate had not read the question. Answers included the benefits of training and how to train.

(b) This question produced some excellent answers and it appears that this part of the syllabus is comprehensively taught by all Centres.

(c) This question was deliberately set to test candidates understanding of the difference between financial rewards, fringe benefits and the rewards that exist as part of a job. The answers proved that this is a weakness for the majority who concentrated upon the financial rewards and fringe benefits.