BUSINESS STANDARD LEVEL

Paper 8928/5169

Business Organisation and Environment

General comments

It would be helpful if invigilators were asked to guide the candidates before they start the examination. The information on the front page needs to be read out aloud to the candidates so there is no question of misunderstanding how they should proceed.

This paper comprised 34 assessment points and each task carried either 2 or 4 marks. Candidates were offered, therefore, a number of short tasks calling for crisp and succinct answers that demonstrate the knowledge required – as is appropriate at Standard Level.

Arising from this examination, there are several issues of continuing concern:

(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 themselves justice simply because they either misread or fail to understand a task. Prior to the start of the examination, it must be repeated that 15 minutes' reading time is provided in order to help candidates become acquainted with the contents of the examination paper. They must use that time wisely.

(ii) 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 demonstration of general business knowledge, should be clearly related to the case study – in this instance to The Oriental Health Experience. Marks are often lost if the context is disregarded and this was a serious issue with this examination paper. It is not enough to display knowledge; it needs to be applied to the case study. Context is important and teachers are advised to emphasise this to their candidates

(iii) Candidates must learn that a succinct and focused answer is better than one which is long and rambling and which does not answer the task. Candidates need 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 4 marks. At no point in the examination paper are candidates required to submit lengthy essay-type answers but they must write in enough detail to demonstrate to the Examiner that they understand the tasks.

(iv) The tasks mostly ask candidates to *describe* or *explain*, and a typical weakness is that candidates do not always submit enough description or explanation. It is readily 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 much 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.

(v) Candidates must not underestimate the importance of *time management*. Mostly candidates are able to attempt all the tasks within the allotted time but it was quite clear that some responses were 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.

(vi) Layout remains an issue although, in the main, scripts seem to be better presented. It must be understood that unclear or untidy scripts can present Examiners with unnecessary difficulties. No marks are deducted from scripts where candidates ignored advice about, for example, leaving margins clear, or starting each task on a separate sheet of paper, *but teachers and candidates must acknowledge that these instructions have a purpose*. Neat and well presented scripts help the examiners to identify correct responses more easily.

(vii) 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 talk about examination technique when preparing their candidates for the examinations. Previous examination papers and the Principal Examiner reports are readily available and it is recommended that they are used during the revision period.

Comments on specific questions

The case study was about The Oriental Health Experience (OHE), an unlimited partnership, which was set up by Dr Chang and three other doctors. The business owned 12 health centres where it dispensed Chinese herbal medicines and alternative treatments such as acupuncture and reflexology. The business was profitable and growing fast in response to the growing awareness of traditional Chinese remedies. Initial funding was provided by the partners but supplemented by a loan from its major supplier.

Task 1

(a) The Oriental Health Experience (OHE) was described in the case study as a *limited partnership* and candidates were asked to explain two features of this form of business. It was evident that most candidates did not know much about limited partnership and wrote about the features of general partnership instead. Some candidates talked of shareholders which indicated a lack of an understanding of partnership. Essentially, candidates should have explained that partners could enjoy limited liability so long as at least one partner had unlimited liability. The unlimited partner, therefore, was held personally liable for the full extent of OHE's debt in the event of bankruptcy. The limited partners i.e. three doctors, were not permitted to take any part in the management of OHE.

(b) It was the intention of OHE to open more health centres. This task called for *the explanation of two appropriate ways in which the capital to pay for the expansion could be raised*. This was not a difficult task as the realistic options were fairly limited. Most candidates recognised that the most likely sources would be ploughed-back profit and loans. Few suggested other obvious sources like the investment from additional partners, mortgage or even debentures. Responses that suggested overdrafts, the sale of assets, trade credit, and even going public, were not considered acceptable.

(c)(i) **Task 1(c)** focused on three business and financial terms. Each term was worth up to 4 marks but most candidates did not achieve full marks. The first term to explain was *working capital* and candidates needed to say that it was the day-to-day funding or finance available for operating OHE; that it was used to pay, for example, the running costs, materials, and wages. This was a 4 mark task and any candidate offering the formula *working capital = current assets – current liabilities*, without any explanation was awarded some marks as it indicated a good level of knowledge.

(ii) The second financial item was *petty cash* (also known as cash in hand). Few responses gave full explanations although petty cash was generally recognised as a limited amount of ready cash kept in the office to pay for very small or unexpected purchases. To be awarded full marks, candidates needed to explain that each transaction was covered by a voucher and recorded in the petty cash book which was part of the double-entry system of bookkeeping. Petty cash represented a very small amount, probably less than US $100 per OHE health centre and should not have been confused with cash flow or cash reserves. Some responses indicated a lack of knowledge by suggesting that petty cash was used for the paying of salaries and purchasing materials.

(iii) The third term to consider was *double-entry bookkeeping*. Most candidates earned marks by indicating that each transaction was recorded in two accounts i.e. debit in one and credit in another but few were able to develop their responses. The better answers qualifying for full marks specifically stated that the process ensured that debit totals always equalled credit totals so therefore OHE's balance sheet should always balance. If the trial balance did not work then clearly there was an error or omission.

Task 2

(a)(i) **Task 2(a)** addressed the matter of *stakeholders*. Candidates needed to bear in mind that a stakeholder was an individual, group, or company with a *direct* interest in OHE's performance and activities. Candidates were asked firstly to explain how *patients* could be considered as stakeholders. Overall, candidates performed well in this task recognising that without the patients there would have been no OHE health centres. Patients had a direct interest in OHE because they paid for their treatments and medicines and in return they expected professionalism and quality service; they expect to improve their health and well-being in exchange for their fees.

(ii) The second stakeholder was the *All China Herb Company*. Candidates readily acknowledged that the All China Herb Company qualified as a stakeholder as it was a major supplier of herbal remedies to OHE and that it very likely supplied the business on 30-60 days' credit. The case study said that some of the start-up funding was loaned by ACHC and that they would expect repayment at some stage. Clearly it had a strong financial and business interest in OHE.

(b) In Dr Chang's view, OHE would only prosper if it was centralised. Candidates were asked to give *one advantage and one disadvantage of the centralisation of the business*. Generally, the candidates understood the concept but most of their responses were limited and not always in context. A few candidates ignored the rubric and offered two (or more) advantages and disadvantages, when only one was required. Candidates should be discouraged from providing more than the required number of examples as it is a waste of their valuable examination time.

An *advantage* of the centralisation of OHE could have been drawn from these examples: it strengthens Dr Chang's control over the business; that it enabled Dr Chang to make quick decisions without consultation; that it provided a set channel of communication and the line of authority was clear; and that it enabled the maintenance of OHE's reputation, style, image, and policies. By contrast, a disadvantage could have been chosen from: the reduction of the likely helpful input and advice of OHE's skilled professional staff; the risk that centralisation would demoralise the staff; and the possible negative impact on initiative within OHE.

(c)(i) **Task 2(c)** focused on the reasons for an *organisational chart* and candidates were asked to describe three of them. The first reason was the *distribution of work* and most responses indicated a lack of firm knowledge and application. It really called for a standard reason like that it indicated the span of control, or that it defined the channels of communication and instruction, or that it allowed OHE to identify where certain specialists e.g. reflexologists were required.

(ii) The second reason was *accountability*. Although closely related to the previous reason it was, in the main, slightly better understood. Many responses pointed out general management responsibilities but omitted to suggest that the chart could assist staff to understand and appreciate their respective positions and thus their responsibilities. The chart would enable staff to see their positions within the OHE structure. It could identify who has the authority and to whom staff are directly accountable.

(iii) *The third reason was left to the individual candidate to select*. The choices were to have been made from communications, organising employees, identifying the chain of command or target setting. The task seemed to pose difficulties for most candidates, who just repeated the reasons already given in **(i)** and **(ii)**; a few offered span of control or communications. Overall, Candidates found **Task 2(c)** difficult.

Task 3

(a)(i) **Task 3(a)** addressed the *different employment contractual arrangements* for OHE staff. Some of the staff were *part-time* and candidates were asked to explain what that meant and to give one benefit of part-time working to the individual employee. The explanation needed to indicate that part-time employment could be either permanent or temporary and the time worked each week was less than full-time e.g. two days per week, 4 hours per day etc. The benefit to the employee was that it enabled a person to fit work in with other commitments e.g. domestic, study. It also enabled a person who didn't want a full-time job to work and still be economically active.

(ii) Several of the professional staff preferred self-employment. *An explanation of what self-employment meant was called for along with the identity of one benefit of it to the employer*. Self-employment (or freelancing) was understood but mostly it was not explained in the context of OHE. There was, then, the recognition that it enabled a person to run a business (possibly as a sole trader) or to work freelance. A few responses understood that a self-employed health professional would have earned fees rather than a salary or wages, and would have been able to negotiate terms with OHE.

Identifying the benefit to the employer created problems for most candidates who incorrectly regarded the self-employed health professional as the employer. The case study referred to the self-employed staff paying OHE a percentage of their fees plus rent for the use of the treatment rooms. In addition, they would be responsible for their own tax and insurance payments. The arrangement did not, therefore, cost OHE much, if anything, in employment costs and benefits.

(b) (i) **Task 3(b)** focused on three expectations that OHE had of the staff. Candidates responded fairly well to this task overall and demonstrated reasonable understanding. The only concern was a general lack of context. The first expectation was the *ability to work with others*. This was an important issue as an inability to work with others would affect the relationships among the staff and create a bad working atmosphere. Some treatments required more than one person's skill and patients wanted to benefit from obvious professional teamwork.

(ii) The second expectation was *effective and efficient work*. This was just as important as the previous issue as OHE was in the business of treating people for ailments and injuries and there was an overt patient expectation of cure or improvement. Staff, therefore, had to be careful not to injure or hurt patients. Staff timekeeping and appointment scheduling were considered to be very important: consultations should not, as a rule, over-run or be less than agreed.

(iii) The third expectation was that staff accepted *the code of conduct*. In OHE it was essential that all the staff, and particularly the 'medical' staff, accepted the code of conduct which dictated such matters as personal hygiene, dress, behaviour, manner towards patients, and health and safety. It reflected the way OHE expected staff to carry out their duties and that affected the company's reputation and image. The professional staff were not expected to act in any way which brought discredit to their profession or OHE. Of the three expectations this was perhaps the weakest as a number of candidates did not really understand what a code of conduct was.

Task 4

(a) (i) OHE recognised that every business was influenced in some way by external or PEST factors. Candidates were asked to consider how OHE might have been influenced or affected by two particular external factors. Despite it being a regular feature of this examination paper, the task was not very successfully answered. A number of candidates chose to copy out sentences from the case study and so indicated a limited or lack of knowledge of PEST factors.

The first factor was *the distribution of income* and candidates should have recognised that this was the spread of income earned by different groups of people and that taxation could have the effect of income redistribution. If economic conditions improved or remained positive then more people would have access to higher incomes. Within the context of the case study this was important since OHE relied on patients who could pay for their treatment – fewer people with good incomes meant less business for OHE.

(ii) The second factor to consider was *pressure groups and public opinion*. Very few candidates were able to cope with this issue and tended to refer to Dr Chang's comment that she relied on patients' recommendations by 'word of mouth' i.e. public opinion. Generally the main point was misunderstood; namely that OHE could be targeted by a pressure group if it believed that parts of animals, particularly endangered species, were used in the remedies instead of herbs. There was no evidence that OHE was troubled by any pressure group but since they dealt in traditional Chinese medicines there was always a possibility. Publicity arising from pressure group action could have seriously disrupted business, even driven OHE out of business.

(b) (i) **Task 4(b)** addressed *the factors which influenced the location* of OHE's health centres. The majority of candidates found the task difficult and that may have been because there was little reference to the case study and thus the context. The first of the factors was *the supply of reliable and qualified personnel*. The question to have asked is whether or not the supply of personnel really influenced the choice of location. The professionals employed by OHE were most likely to be all Chinese who would commute to a health centre or deliberately move to the area for employment. Candidates could have earned full marks for stating that the supply of personnel did not significantly influence location but rather the reputation and quality of an area did.

(ii) The second factor was *the nature of the location*. This task led on from the first and candidates only had to extend their thinking to produce an acceptable response. From the case study, it could be assumed that the health centres were in 'good areas'. Patients needed to be reassured that OHE was not a 'cheap' organisation and could afford to locate in respectable areas which were safe and had suitable facilities such as a pharmacy, parking, and public transport. Many candidates missed the point and offered explanations about consulting rooms, toilets and reception areas.

(iii) *The third factor was left to individual choice*. Candidates had only to choose one relevant factor and describe it. The choice was limited and realistic factors were, for example, occupancy costs, public transport services, ready access to the market, and local authority incentive schemes. Mostly candidates chose transport or access to the market but a few suggested incentive schemes that a local authority might offer to encourage new business. The answers tended to be weak and ignored the nature of the business.

Task 5

(a) (i) This task asked candidates for an explanation of three elements of the *marketing mix* i.e. the 7Ps, in relation to OHE's health centres. The task was generally well answered although some scripts ignored the context. The first element was *price*. No details of prices or fees were stated in the case study other than that they were competitive i.e. compared to similar providers. It could be assumed that the treatments and remedies were not cheap. The patients appeared to be quite well off as they were prepared to pay but they would have considered the price in terms of value for money.

(ii) *Product* was the second element to consider. Most candidates dealt quite well with this task but did not extend their thinking. The product was health care and many patients were attracted by the natural and traditional forms of herb-based treatment and healing. There was evidence that people were becoming more health conscious and OHE had recognised that market by offering 'health maintenance'. The product was enhanced with the level of care and service.

(iii) The third element was *place* and candidates who were aware saw a partial link with **Task 4(b)(ii)** i.e. the nature of the location. It could be assumed that each health centre was appropriately located in a 'good class of area' which was fairly quiet and reassuring for patients. Each Centre was well appointed with a range of facilities. Dr Chang believed that a good location brought in good business.

(b) (i) **Task 5(b)** considered the relationship between OHE and its patients. OHE did not have a customer relations policy but a *patient relations policy* instead. The task asked candidates to explain what OHE's Patient Relations Policy was. There were some competent responses but also some confusion between this and the succeeding task. Candidates should have understood that the policy was the approach OHE had towards its patients and that it included the way patients are received, how treatment was given, the guarantee of discretion, treatment fees, and how to deal with complaints. Significantly, candidates tended to overlook that the policy regarded patients as the most important aspect of the business.

(ii) Candidates were required to list four ways OHE could maintain *patient loyalty and satisfaction*. Clearly this was an extension of the previous task. The key word here was ***list*** i.e. all that was required was just a list of four appropriate ways without any explanation. The case study gave general clues and candidates were required to look for them and to use their appreciation of the case in order to identify the four ways. There were some candidates who had included these ways in the foregoing task and then repeated them here. The more likely ways included: guaranteed professional service; fully trained personnel; discretion and privacy; refunds or free service if treatments and remedies proved unsatisfactory; meeting the specific medical needs of the patients; honest diagnosis and consultation; and patient feedback.

BUSINESS STANDARD LEVEL

Paper 8928/5162

Effective Business Communication

General comments

There was a generally good level of knowledge demonstrated overall, but as in previous sessions, few candidates excelled in their individual performance.

Despite efforts to encourage greater expansion of answers to tasks, there still appeared to be a significant number of candidates who insist on answering in bullet point format, and by doing so limit the possibility of showing the breadth of knowledge and understanding they may have. The excessive use of bullet points also minimises their chances of achieving high marks in the exam. The answers given in the mark scheme and in this report are often given as bulltet points to make the information clear and simple, but candidates must develop these points to gain higher marks. Higher level marks can only be awarded for work which shows development and understanding of the topic, and which incorporates the case study scenario into the answer.

Another significant issue is the fact that candidates appear to be 'guessing' what the requirements of the task will be, instead of reading the task carefully and answering the task which has been set. It is evident from some of the scripts that, having reviewed past papers as part of their examination preparation, candidates have seen a task which looks similar to one in a past paper and have assumed that it is the same. This is very unlikely. Even if a scenario or a task is similar or familiar, the actual tasks in the new paper will have a different emphasis or will cover a different aspect of the syllabus. Furthermore, if candidates fail to answer the task as it is given in the paper, then examiners are not able to award the marks available in the mark scheme.

Some Centres encourage their candidate to read through the task to the end and then to read it again, but this time to underline in pencil the important words or commands on the question paper. In this way the candidate does not rush to 'guess' the task. Once the candidate has written their answer, they can check it against the words which were underlined to see if they have indeed answered the task which was set and not one which they have guessed at. This also shows the importance of good time keeping as an examination technique, in that it allows the candidate enough time to quickly check what they have written.

There is a considerable amount of material available through CIE to support candidates in examination preparation and it is very important to make sure that this material is utilised to support exam answers. However, this material should not be misused and, as suggested, candidates should be very sure that they read the live exam tasks carefully and answer those, and not what they think it is based on their revision.

Time management was mixed, with many candidates struggling to complete the final tasks in full, which again affects the number of marks available. In many cases the paper was either incomplete, or the answers were very thin in terms of content, with only basic bullet points and no development. Candidates should practice working with past papers as a way of managing their time more effectively.

Comments on specific tasks

Section A

Task 1

(a) This task required candidates to explain why it is important to communicate with customers in George's Diner.

Answers should have included reference to:

- Necessity for a businesses such as George's Diner to be successful
- Being able to find out customer needs and wants
- The need for two-way communication to enable dialogue between customers and the organisation
- Being able to ensure customers have the opportunity to feedback their views and experiences
- Need to be able to provide the customer with helpful information
- Need to develop and maintain a relationship with customers

Answers were extremely varied and seemed to focus in particular on 'feedback', dealing with customer's needs and wants, and contributing to success. However, many candidates appeared to move away from the point of the discussion and wrote about conflict in communications and profitability.

Task 1

(b) This part of the task focused on explaining the differences between open and closed questions. This task was generally well answered in terms of explanations of both of the questions, but the examples provided were slightly more variable and some candidates demonstrated their knowledge by providing examples based on practical experience.

(c) The final part of this task required candidates to suggest three effective methods of two-way communication useful to employees, to allow them to exchange ideas and keep up to date with changes. Unfortunately, answers here were disappointing.

It is important that candidates understand that written communication such as letter writing, memos and reports are <u>not</u> forms of two-way communication, nor are notices or emails.

The mark scheme indicates that answers should focus on situations where there is the possibility of an immediate response to requests and ideas, such as in:

- Team briefings
- Team meetings
- Brain storming/idea generation meetings
- Seminars

Task 2

(a) Letter and memo writing continue to be standard features of 5162 Standard Level Effective Business Communication. It is encouraging to see that some of the issues raised in past Examiner reports have been addressed, and that candidates are now able to score well in these tasks. Standard letter salutations/openings and closures have improved with more candidates observing Dear Sir and Yours faithfully, or Dear Mr or Mrs, concluding with Yours sincerely. Also encouraging is a greater inclusion of calls to action.

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 closures also seemed to have improved on previous efforts. Overall, the average mark for this task is around 8 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

In order to maximise marks, candidates do need to try harder in developing the body and content of the letter, which is where it appears candidates have most difficulty and are not achieving the marks available. The Examiners are aware that for many candidates English is not their first language and that confidence in spelling and grammar is not always strong. However, candidates who demonstrate that they can respond to the brief effectively by showing that they understand what should be in the content area of the letter, by using key words or phrases, will have marks awarded for their response even if the use of English is weak. This is much better than providing vague or no content.

The mark scheme provides for marks on the basis of format and content, and candidates need to understand that Examiners look at the letter overall – at the layout and content combined - not just the layout.

(b) Writing a memo is a standard task in the Effective Business Communication paper, and as a result candidates did relatively well.

Candidates were again, as previously reported, very good at the overall structure, but generally very poor in the body of the memo, and that this difficulty with content appears to be a continuing problem for candidates. The body of the memo should have included information relating to the training programme for staff in George's Diner, confirming the date of the presentation and stressing the importance of the presentation. In essence, giving some background to the situation and the reasons behind the decision to send out the memo is very important and expected in this examination. Again, it should be stressed that candidates who show, by writing key words or phrases in their response, that they know what should be in the body of the memo are able to attract marks even if their use of English is limited.

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
- Appropriate closure
- Initials or signature only

The content and tone of the memo should be persuasive and impress upon staff how important the two new qualifications are to the business. The application of the case study is very important, and answers should be written in the context of the given scenario. Answers which do not incude this will often fail to gain even the basic marks.

Task 3

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

(a) This task asked for three reasons why it is important for groups to be formed within the context of the business.

It was quite apparent that many candidates struggled with this task and therefore gained very few marks.

Answers should have focused on the following reasons:

- To produce a sense of belonging – group members may be better motivated as a result of this
- To achieve common goals – to ensure that all group members are working to the same ends
- To ensure that there is an exchange of good practice within the workplace
- To share the work-place effectively – i.e. to share resources, share space and work well together, to achieve success together

Answers to this particular area are often weak and it is suggested that candidates study the importance of groups for future examinations.

(b) This was a very straightforward task and required candidates to suggest four common elements of a meeting.

This task was answered well by most candidates and even the weaker candidates could provide at least two common elements. The Examiners in particular were looking for answers along the following lines:

- Every meeting has a chair person
- Every meeting has a minutes secretary
- Every meeting has an agenda
- Desired aims have been identified
- Members have an interest in the decisions and outcomes
- Action points are identified and followed up
- Meetings take place in a limited timescale
- Individuals have assumed leadership or are elected

Task 4

This was a two-part task asking about different types of interviews and then in part **(b)** asking about the <u>structure</u> of an interview.

(a) Candidates answered this task relatively well and in the main understood the different types of interviews including appraisal, disciplinary, employment and counselling interviews. This was very pleasing and the average marks were quite high.

(b) This task was also very straightforward, provided candidates read the task carefully. The task specifically asked candidates to outline the structure of an interview:

- Openings and introductions
- Aims and objectives of the interview
- Who's who in the interview panel
- Questions about the interviewee and their experience
- Questions about how the interviewee may perform parts of the role
- An opportunity for the candidate to ask questions
- Summing up of the interview
- An outline of next steps

Many candidates didn't read this task properly and their answers generally focused on what is required to set up an interview. It would seem that only a third of candidates actually read the task and answered it properly. There were eight marks available for this task; many candidates scored zero, illustrating the importance of reading tasks carefully.

Task 5

This was a three-part task and had the potential to reward strong candidates very well, however, the examining team felt that attempts at answering these tasks were quite poor, partly due to time management, but also due to failing to understand the demands of the task.

(a) This task asked candidates to provide one advantage and one disadvantage of three graphical forms of data:

- Line graph
- Bar chart
- Table

Answers were vague and confused, and the same advantages and disadvantages were often given for a line graph and a bar chart, which were incorrect and inappropriate. Many candidates also struggled to find advantages for the table, and provided only disadvantages.

(b) This task asked for candidates to provide the purpose and benefit of using a flow chart when training staff on how to use computerised tills.

In the main the candidates could write about flow charts in general terms, but were unable to provide any application to the given scenario, the training of staff. The key focus of the answer should have been that trainees would be able to understand the sequence of steps needed to use the computerised tills; to show a step-by-step approach to using computerised tills. However, many candidates failed to list this, so did not score marks on the benefits of a flow chart.

(c) The final task is a standard task and asked for two ways in which multi-media aids could help the organisation present management information.

This was very poorly answered, and candidates who did answer the task wrote about TV and Radio, not about how multi-media could enhance information, make it more lively and interesting, and improve overall presentation. There was a disappointing response to the task.

BUSINESS STANDARD LEVEL

Paper 8928/5163
Business Finance

General comments

It is pleasing to report that there appeared to be an improvement in the performance of the candidates who sat the October 2007 examination when compared to previous examination sessions. There appeared to be fewer gaps in the knowledge of candidates and it was also evident that the candidates had managed their time better and as a result most candidates had produced responses to all of the tasks on the examination paper.

However Centres and candidates are once more reminded of the need to provide a formula when undertaking tasks that require a calculation as a failure to do so can result in the loss of marks should the solution prove to be incorrect. Also Centres and candidates are reminded of the need for precision when defining terms as vague responses will only attract low marks. Candidates should be reminded that it is essential to read the rubric of the tasks carefully. If the task requires an explanation then a simple definition cannot attract the higher order marks.

Comments on specific tasks

Task 1

Generally the answers provided for the **tasks (a)** to **(g)** were satisfactory with many candidates achieving awards well above the pass mark for this task.

The answers to **part (a)** were very strong with the majority of candidates able to identify and explain an advantage and a disadvantage.

The answers to the **part (b)** were again strong but the answers to **part (c)** were weaker with only a small minority of the candidates able to draw a comparison between the two terms.

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

Task 2

Overall the responses provided for this task were good with many candidates scoring high marks. However candidates need to be reminded that they must draw a conclusion as to how the individual PEST factors could influence the future of the business if they are to achieve the full award of marks. Sadly, a minority of candidates ignored the rubric of the task and did not extract the PEST factors from the Case Study. As a result they were awarded no marks.

Task 3

Generally the answers for this task were disappointing with only a minority of the candidates able to provide a correctly formatted balance sheet. Many candidates provided answers that did not include sub totals and often the share premium was not correctly identified and shown as a separate entry.

Task 4

Overall the responses to this task were satisfactory with the majority of candidates able to correctly identify both internal and external users and to provide reasonable explanations as to how they might employ the financial statements. However, a sizeable minority of the candidates made the mistake of referring to investors as external users. This can only be allowed if they are referred to as prospective investors, if they are existing investors they must be viewed as internal users. Centres are urged to bring this issue to the attention of future candidates in order to ensure that they achieve the highest possible return.

Task 5

The answers provided for this task were rather patchy with only a minority of candidates achieving high marks. The majority of candidates scored marks around the pass boundary and lost marks simply because they had not provided an explanation as to how they were to complete the calculation in **Part (b)**.

Task 6

The answers to this task were generally quite good with many candidates able to provide reasonable answers to both parts of the task.

BUSINESS STANDARD LEVEL

Paper 8928/5164

Marketing

General comments

It was pleasing to see that generall performance was good this session. Marketing research continues to be an area of strength, and consumer segmentation was illustrated well. The marketing planning process was done very well by some candidates.

In some cases it was difficult to allocate marks as candidates did not follow the instructions on the Examination Paper in that each task should be started on a new page. Some candidates did not indicate where they finished one part of a task and moved on to the next part. For example, **Task 1** had three parts: **(a)**, **(b)** and **(c)**. Some candidates did not label their answers for each part. This can lead to repetition in their answer and marks are only allocated to a point once.

There still appear to be some common reasons for candidate failure or poor pass grades, and these are as follows:

- Many candidates 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, without any attempt to make it relevant to the case study or the wording of the task.
- Some candidates, perhaps under the pressure of the examination situation, do not read/analyse the requirements of the task carefully and therefore fail to identify exactly what they are expected to do. Teachers/tutors can help candidates develop this skill by discussing tasks in past papers during teaching sessions.

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

Comments on specific questions

Task 1

(a) The first part of this task required a simple definition of marketing and most candidates responded with the key aspects of this – **meeting and anticipating customer needs**, and **facilitating exchanges** between **buyers and sellers** which also **meet organisational objectives**.

(b) This part of the task was done fairly well, although many candidates lost marks by simply listing reasons why marketing is important rather than explaining each of the four reasons given.

(c) Generally this task was not done well. Although many candidates could identify some key benefits of developing a marketing orientation, few were able to link these to examples for MusicWay. There were numerous examples of benefits – developing positive word of mouth recommendations through impressive customer service, increasing loyalty from existing customers by keeping in touch through direct marketing, and many others.

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 some marks were lost by producing very short answers that did not warrant full marks for each type of research.

(c) It was pleasing to see that many candidates now have a full understanding of the various sources of secondary research and how each might be used. Those who did not gain full marks for this section simply listed five sources and did not make any attempt to explain what each might be used for by MusicWay as required in the task.

Task 3

The first part of this task was also done very well. The understanding of consumer segmentation was generally good.

(a) Many candidates were able to identify suitable consumer segmentation bases for MusicWay and explain them.

(b) Few candidates excelled in this part of the task. Some candidates wasted valuable time repeating what they had written in part **(a)** of the task instead of describing business to business segmentation bases and then explaining similarities and differences. 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.

Task 4

Answers to this task were the most variable in quality. Many aspects of the planning process have been examined before and this should, therefore, have been a straight-forward task. Candidates were asked for five slides with notes explaining stages of the process. The marks for the task were divided into 5 × 4 marks, which indicated that five elements should be explained in appropriate depth. Some did this very well, with stages of planning explained in a logical order and all relevant stages covered.

Some candidates simply explained the marketing mix, which is only one stage of the planning process, and therefore limited the marks that could be awarded.

Task 5

(a) This part of the task was straightforward and most candidates were able to get some of the available marks for drawing the diagram and indicating the four stages of the product life cycle. Labelling the axes of the diagram would have gained the full marks.

(b) This part of the task was done very well by some candidates. However, the task asked for a suitable 7P marketing mix for the growth stage of the product life cycle. Most candidates missed this part of the request and described a general marketing mix with no reference to the PLC.

Some candidates only described one element of the marketing mix – some described product and some price. No justification was given for taking this approach and this again limited the marks that were available.

BUSINESS STANDARD LEVEL

Paper 8928/5165

Human Resource Management

General comments

The quality of responses to the questions set on this paper has improved quite markedly over the past three years and this is very pleasing. Candidates now know what is required and seem better suited to the standards at this level.

Candidates still, at times, fail to provide a technical answer and prefer to respond in a manner that would be expected from someone who has not followed the syllabus. There is also a tendency not to use the case study material. Candidates must realise that the case study provides a framework for the answers and in many cases actually provides the answers.

Comments on specific questions

Question 1

This question highlighted the problems that candidates have with the meaning and purpose of HRM. It appears that this is not taught but emerges as the remainder of the assessment objectives are covered. This assessment criteria is in fact the basis for everything that follows and candidates need to be totally sure of what the meaning and purpose actually is.

(a) The majority managed to quote the meaning although it was usually incomplete.

(b) There appeared to be confusion here with the meaning and in some cases the strategic purpose which is not on the syllabus at this level.

(c) Too many candidates took a non-technical approach and described Nitin's actions without using any of their knowledge of HRM. The most frequent response was to repeat paragraphs from the case without recognising the centralised approach.

Question 2

This question was generally well answered but part (c) seemed to produce the best answer which is not usually the case. This clearly shows that the candidates knowledge of trade unions is excellent.

(a) Too many candidates ignored the case and simply listed features of **a labour market** and not the one faced by CityCars.

(b) This produced full answers but the majority ignored the word "legal". It should also be noted that training was removed from the competence criteria because it is not a legal obligation in many countries. Centres need to ensure that they read the latest syllabus and instruct the candidates accordingly.

(c) This part of the question was very well answered by the majority of candidates who were able to demonstrate an excellent depth of knowledge and could apply this to CityCars.

Question 3

There still appears to be some confusion between recruitment and selection, with candidates not knowing the difference or believing that they are the same.

(a) The majority of candidates managed to list two elements but confusion was obvious.

(b) Candidates who could not split recruitment from selection struggled with this part of the question. Some candidates simply produced another list.

(c) The better candidates produced excellent answers to this question with full explanations. Other candidates explained all of the reasons why an employee can be dismissed. This was not the question and so the marks scored were very low.

Question 4

This question provided a stark contrast between competence criteria that seem to have been neglected or poorly understood, and competence criteria that have been covered to a degree of detail that is not required at this level.

(a) All candidates were able to list the methods, however, many were outside of the syllabus.

(b) Too many candidates produced highly technical accounts of two methods and by contrast others could only discuss observation of employees.

(c) There appears to be a genuine failure of the candidates to understand how anything other than 'meetings' can solve conflict. Examiners would assume that they all understand the use of discipline and grievance, committees and collective agreements but they failed to link this to the solving of conflict.

Question 5

This question was correctly answered by the majority of candidates with the exception of those who had clearly run out of time. This assessment objective appears to be well taught and understood by almost all of the candidates.

(a) Very few failed to produce a list of four but a few stretched the imagination with some benefits quoted such as paying for holiday's overseas and buying property.

(b) Well answered by the majority but limited to wages and salary too often. A few candidates added in fringe benefits to confuse the answer.

(c) The emphasis in this question was intended to be on Induction and New Skills training but too many candidates listed and then explained different types of training without reference to CityCars. This excluded many candidates from the top marks.

BUSINESS STANDARD LEVEL AND OFFICE ADMINISTRATION STANDARD LEVEL

Paper 8929/5166

Interpersonal Business Skills

General comments

The majority of assignments submitted by Centres under this module title were well laid out and presented. Candidates had used business-like conventions throughout in composing their work and quality graphics enhanced their submissions.

Where candidates and teachers had completed an Assignment Cover Sheet this was most helpful in checking that all components had been demonstrated and found in the text and that the mandatory competence criteria had all been covered. The use of the Assignment Cover Sheets helped candidates to organise their assignments to achieve a pass grade. Some candidates were able to focus their work especially well to achieve merit or distinction.

Specific Comments

Some candidates were not successful and demonstrated the following weaknesses:

- Student Assessment Record (SAR) forms must be completed by Centres and submitted with candidates' work. Failure to do this results in the assignments being returned to Centres.

- There needs to be a strong link between the criteria given in the syllabus and the work submitted by candidates. There should be evidence of all of the relevant competence criteria listed in the objectives.

- Candidates need to give clear evidence and understanding of all the criteria. Some candidates have not demonstrated the competence criteria fully in their assignments; this is an essential part of all modules and the detailed guidance, listed in the syllabus booklet under 'Criteria for Assessment', should be followed. It is important to link these objectives and the research undertaken in the assignment. All objectives must be evidenced in the text of the assignments.

- Better use could have been made of the Assignment Cover Sheets; if these had been fully completed then an instant check by the teacher, candidate and Examiner would reveal that all objectives had been demonstrated.

  The Assignment Cover Sheets can be used:

  By the teacher to alert candidates as to what should be included in their assignments.

  By the teacher as a **checklist** of tasks and **competence criteria** which must be available in an assignment to meet the pass criteria.

  By the candidate to identify what tasks they will need to undertake and how the assignment should be presented.

  By the candidate to check that the work they are about to submit contains all the relevant tasks and competence criteria.

By both the candidate and the teacher to **identify gaps**, missing competence criteria or insufficient coverage of tasks before work is officially submitted i.e. to check that all the relevant module requirements are being met.

By both the candidate and the teacher to develop an **action plan** to remedy any problems which have been identified.

As a record to show coverage of the competence criteria within the assignment i.e. page numbers and comments.

As a final check before submission of the SAR.

As an aid to the Examiner when marking the assignments, through a clear indication of coverage and content.

There should be regular review sessions between teachers and candidates – the cover sheets can help with this process.

- Some assignments did not include page numbering or a contents page. In some assignments the page numbering and the list of contents did not match.

- Some reports were not submitted in a business-like format. It is essential that assignments are well presented and that reports follow basic, standard business conventions. Good introductions and conclusions are to be encouraged. Contents pages which list page numbers help the candidate, teacher and Examiner.

- Candidates did not always understand non-verbal communication.

- 'Assertiveness', while acknowledging that this may be a cultural issue, was sometimes omitted or not properly explained in the text of the assignment.

- The results of surveys were weak and not detailed under separate headings or paragraphs.

- Other weaknesses included lack of Reference Sources, lack of evidence of chairing meetings and self-evaluation.

BUSINESS STANDARD LEVEL

Paper 8928/5167

Business Start-up

General comments

In general, the assignments submitted under this module were of good quality and demonstrated the commitment of teachers and candidates alike. There was a keenness to use business-like conventions and this contributed to the excellent presentation of assignments.

Most of the assignments were well researched and composed; with candidates setting out convincing business plans within the guidelines of 1400 – 1800 words.

It is essential that assignments are well presented and that reports follow basic standard business conventions. Good introductions and conclusions are to be encouraged. Contents pages which list page numbers help the candidate, teacher and Examiner.

Centres should always refer to the syllabus for the year of examination when planning courses and helping candidates to prepare their assignments prior to submission. Centres are encouraged to use the most recent version of the syllabus since earlier editions may not include changes which have been made to the mode of assessment or content.

Specific Comments

A number of weaknesses were identified, as listed below.

- Some assignments were bulky and heavily bound, exceeding the recommended wordage. Although this did not affect the marking process the additional quantity of material submitted did not necessarily mean that a higher grade would be obtained.

- In general the presentation of work was very good but the pages of some assignments were stuck together in the printing/binding process. This should have been checked before submission by the teachers.

- Centres did not always use the Assignment Cover Sheets. These enable the teacher, candidate and Examiner to check that the work is complete. The Principal Examiner strongly recommends the use of Assignment Cover Sheets, as they have benefits for the candidate, teacher and Examiner. Assignments from Centres using the cover sheets are usually more successful.

- The Assignment Cover Sheet for candidates has been developed to help teachers and their candidates to review assignments *before* they are submitted for assessment by a CIE Examiner. Teachers and candidates should refer to the Assessment Guidelines before completing these forms or submitting assignments. A Student Assessment Record (SAR) should still be completed and submitted with the assignment.

  There should be regular review sessions between teachers and candidates – the cover sheets can help with this process. The Assignment Cover Sheets can be used:

  By the teacher to alert candidates as to what they should include in their assignments.

  By the teacher as a **checklist** of tasks and **competence criteria** which must be available in an assignment to meet the pass criteria.

  By the candidate to identify what tasks they will need to undertake and how the assignment should be presented.

By the candidate to check that the work they are about to submit contains all the relevant tasks and competence criteria.

By both the candidate and the teacher to **identify gaps**, missing competence criteria or insufficient coverage of tasks *before* work is officially submitted i.e. to check that all the relevant module requirements are being met.

By both the candidate and the teacher to develop an **action plan** to remedy any problems which have been identified.

As a record to show coverage of the competence criteria within the assignment i.e. page numbers and comments.

As a final check before submission of the SAR.

As an aid to the Examiner when marking the assignments, through a clear indication of coverage and content.

- Centres should only submit candidates' work if they feel it meets all of the requirements of the scheme and is complete. SAR sheets must be fully completed and signed by the teacher before submitting work to be examined. Care must be taken in completing the list of names of candidates being put forward together with their assignments.

- Candidate self-evaluation was weak and sometimes omitted from assignments.

- An emphasis on the business proposal sometimes outweighed evidence that the candidate understood and could interpret the objectives as listed in the syllabus booklet. Some candidates, therefore, did not demonstrate the competence criteria (objectives) fully in their assignments. It is essential that work submitted for assessment has covered all the required criteria and that all objectives are evidenced in the text of the assignments. The relevant objectives are listed in the syllabus booklet under 'Criteria for Assessment'. It is important to link these objectives and the research undertaken in the assignment. Centres can help candidates to redress this imbalance by using the detailed guidance given in the syllabus.

- Other weaknesses in assignments were that reference sources were not included and evidence of objectives 1.2, 2.1 and 2.2 were omitted from the text. Some of the candidates failed to quote reference sources in the text when covering an objective or demonstrating understanding of a particular area of knowledge. However, it is acceptable for a reference source to be implied in the candidates' work, provided the assignment meets the other criteria.

BUSINESS STANDARD LEVEL AND OFFICE ADMINISTRATION STANDARD LEVEL

Paper 8928/5168
Customer Care

General comments

Some excellent assignments were submitted for this module. It was apparent that teachers and candidates had made a good effort and this was reflected in the quality of the assignments.

Specific Comments

A number of weaknesses were identified. These and other comments are listed below.

- Reference sources and self-evaluation were omitted from the assignment.
- Some of the objectives, as listed in the module booklet, were not evidenced in the text of the assignment. It is mandatory for these to be included.
- Although the candidate may have conducted a survey the analysis of this activity was not detailed with any depth, and in some cases there was doubt that a survey had been carried out.
- Some reports could have had a better layout and were not business-like in their presentation. It is essential that assignments are well presented and that reports follow basic standard business conventions. Good introductions and conclusions are to be encouraged. Contents pages which list page numbers help the candidate, teacher and Examiner.
- Too much emphasis had been placed on the company profile as opposed to the candidate providing evidence of the objectives in the assignment.
- Some Centres failed to submit Student Assessment Record forms with candidates work resulting in assignments being returned to Centres.
- The use of the Assignment Cover Sheets is highly recommended as these provide evidence that the work is complete. This is very helpful to teachers, candidates and Examiners. The Assignment Cover Sheet for Candidates has been developed to help teachers and their candidates to review assignments *before* they are submitted for assessment by a CIE Examiner. Teachers and candidates should refer to the Assessment Guidelines before completing these forms or submitting assignments. A Student Assessment Record (SAR) should still be completed and submitted with the assignment.

  There should be regular review sessions between teachers and candidates – the cover sheets can help with this process. The Assignment Cover Sheets can be used:

  By the teacher to alert candidates as to what they should include in their assignments.

  By the teacher as a **checklist** of tasks and **competence criteria** which must be available in an assignment to meet the pass criteria.

  By the candidate to identify what tasks they will need to undertake and how the assignment should be presented.

By the candidate to check that the work they are about to submit contains all the relevant tasks and competence criteria.

By both the candidate and the teacher to **identify gaps**, missing competence criteria or insufficient coverage of tasks before work is officially submitted i.e. to check that all the relevant module requirements are being met.

By both the candidate and the teacher to develop an **action plan** to remedy any problems which have been identified.

As a record to show coverage of the competence criteria within the assignment i.e. page numbers and comments.

As a final check before submission of the SAR.

As an aid to the Examiner when marking the assignments, through a clear indication of coverage and content.

- Centres should only submit candidates' work if they feel it meets all of the requirements of the scheme and is complete. SAR sheets must be fully completed and signed by the teacher before submitting work to be examined. Care must be taken in completing the list of names of candidates being put forward together with their assignments.

- More discussion about the assignment content would have been appropriate instead of using bullet points throughout.

- Other weaknesses included different font styles used in one assignment, an old 1999 syllabus used, insufficient data analysis and weak conclusions.

- Centres should always refer to the syllabus for the year of examination when planning courses and helping candidates to prepare their assignments prior to submission. Centres are encouraged to use the most recent version of the syllabus since earlier editions may not include changes which have been made to the mode of assessment or content.

BUSINESS STANDARD LEVEL, ICT STANDARD LEVEL AND OFFICE ADMINISTRATION STANDARD LEVEL

Paper 5191

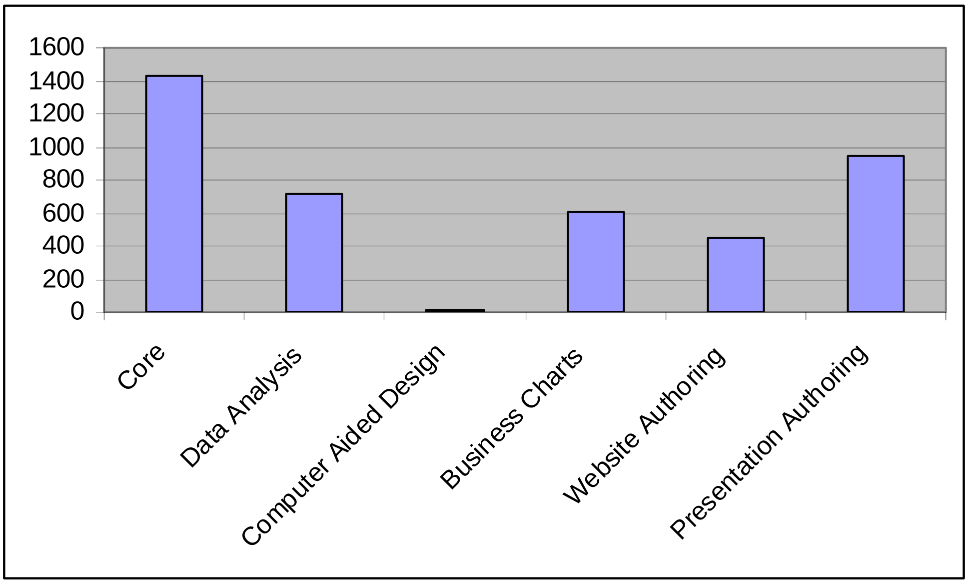
Communication, Document Production, Data Manipulation, Integration

General

The scheme has had 7509 English entries and 355 in Spanish. The total numbers of entries at each level in English were 1875 entries at Foundation Level, 4147 were at Standard Level and 1487 at Advanced Level. This indicates a 28% increase in Foundation entries, 4% increase in standard level entries and 36% increase in advanced entries. Spanish entries declined significantly from the previous year.

Standard Level

This level comprised a Core module and five enhancement modules.



The overall pass rate for these modules was in line with last year with candidates showing a good understanding of the subject knowledge and practical skills.

5191 Standard Core

The general standard of entries for this module was high, although there were a number of errors which included:

- Errors in searching, either by trying to search using the results of a previous search rather than all the data, through errors in the search criteria, or in the selection of the data for the database extract.
- Some candidates could not correctly align text, especially when asked to fully justify the body text of a document.
- Errors in sorting the data as specified in the question paper, particularly by sorting only the specified field and therefore failing to maintain the integrity of the data. Candidates who made this error were usually using a spreadsheet package rather than a database. Some candidates confused ascending and descending sorts.

- 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.
- When the page break has been removed in the second version of the document the line spacing was not maintained.
- Errors in page layout with the failure to set margins or column widths as specified.
- The failure to include a calculated control in the data manipulation report, or where a calculated control was included it was not the one specified on the question paper.
- 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.

BUSINESS STANDARD LEVEL AND OFFICE ADMINISTRATION STANDARD LEVEL

Paper 8928/5237

Organising Meetings and Events

The overall performance of the candidates was very good. Some candidates were well prepared and correctly organised a meeting, as required. They produced reports detailing how they had organised their meetings and the documentation and methods of communication they had produced and used.

Centres are reminded that they should submit completed Student Assessment Records and 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.

COMMENTS ON THE WORK OF CANDIDATES

Most of the reports produced were legible and detailed. Copies of letters, emails, agenda, notice of meeting, minutes, chairperson's agenda and transcripts of telephone conversations were submitted.

Candidates assessed the planning, organising and monitoring methods they used. They then described whether or not these methods were successful and what they would do differently when they organise their next meeting.

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