

BUSINESS

Paper 9609/11 Short Answer/Essay

Key messages

- Some candidates displayed the ability to show brief explanation in **Section A** but not the analysis needed in **Section B**. This limited their marks.
- Application to the context of the question was not shown by many candidates when answering **Questions 5(b), 6 and 7(b)**.
- It would be advisable to focus on improving evaluative comments in answers to **Questions 5(b), 6 and 7(b)**. This can be achieved by developing a counterargument fully rather than just adding a brief comment or summary at the end of the answer.

General comments

- Candidates generally show understanding of the theory and therefore can define and give a brief explanation of business concepts.
- Using the context of the **Section B** questions is a challenge for many candidates.
- Analysis and Evaluation are skills which weaker candidates struggle with. These skills are difficult to demonstrate for many candidates and it would be advisable for candidates to practise them thoroughly during the teaching of the course.

Comments on specific questions

Section A

Question 1

- (a) The concept of 'crowd funding' appeared unfamiliar to some candidates. Most candidates were able to give at least a partial definition although some repeated the wording in the question i.e. funds gained from a crowd. Strong answers clearly defined it as setting up a fund (online or otherwise) to raise money from the public for a certain venture and some gave examples of websites which specialise in providing a platform for crowd funding.
- (b) It was possible to gain marks for this question even if the definition of crowd funding was not strong. The most commonly explained advantages included being able to buy assets, gain finance without the paperwork/reputation needed by a bank, little or no interest or payback required. Some candidates commented on the opportunity to advertise to, raise awareness with potential customers. It was necessary to develop two advantages in order to gain full marks.

Question 2

- (a) Niche marketing proved to be a well-understood concept and most candidates gave a good definition.
- (b) A minority of candidates could not earn marks as they explained two benefits of niche marketing. Many different limitations of niche marketing were raised although some candidates could not earn the full 3 marks as the points were not explained fully. For instance, a point such as "the firm will not benefit from economies of scale" without briefly explaining why could not earn candidates full marks.

Question 3

This question was well answered, with most candidates gaining three or more marks. Most began by defining inventory. Strong answers then gave two or three well developed costs and benefits of holding low levels of inventory. Some candidates listed costs and/or benefits rather than explaining them, which generally resulted in 2 marks being awarded. Where candidates explained only the benefits or only the costs only 3 marks were awarded. Some candidates answered the wrong question by explaining high levels of inventory.

Question 4

- (a) Motivation is a familiar term to candidates and therefore 2 marks were gained by most candidates.
- (b) Most candidates gained the full 3 marks as good explanations were given regarding how autocratic leadership affects worker motivation. Most candidates focused on negative effects e.g. reduces workers' creativity, no sense of belonging, causing fear in subordinates, no feedback thus demotivating workers. Many candidates recognised that an autocratic leader may motivate staff in some situations.

Section B

Question 5

- (a) This was by far the most popular question in **Section B**. Candidates clearly knew many qualities of successful entrepreneurs, whether these were starting a new business or being innovative in an established business. Most candidates were able to gain Level 3 with some analysis of more than one quality. Only the stronger candidates developed this analysis sufficiently to move into Level 4. Weaker candidates provided a list of qualities or gave a brief explanation and could not move out of Level 2. Some candidates answered the question regarding a leader rather than an entrepreneur. There is some overlap, but such candidates were unlikely to move into Level 4.
- (b) It was evident that some candidates chose the question as they felt confident with 5(a) but struggled with 5(b). Such candidates focused on giving examples of CSR and sometimes analysing them, with no link to either a PLC or shareholders. Many candidates focused on stakeholders such as customers, employees and the local environment without linking to shareholders and as such were limited to Level 2. Some candidates gave a much stronger analytical response when discussing shareholder rewards such as dividends, customer loyalty, prices and revenue and link to profits. It was generally necessary to analyse both the positives and negatives in order to develop evaluation. There were well-reasoned essays on both sides of the argument, either strongly supporting or rejecting CSR as a key objective of the shareholders of a PLC or recognising that CSR is only one of a range of important objectives, alongside survival, profitability, cost leadership. Often the difference between short- and long-term benefits was used in evaluation.

Question 6

This was a less popular question than **Question 5** but there were some strong responses. Weaker responses focused on employee training (not development), with no direct application to a tertiary sector business, with examples linking to manufacturing e.g. training on how to use machinery to produce more. It was necessary to apply in some way e.g. training on tills, how to deal effectively with customers, social skills, how to explain the product to customers etc. to move into Level 3. It was also necessary to link this to the business rather than only the effect on employees/customers. The costs and benefits of reducing expenditure were explained in answers. Some candidates gave a much stronger analytical response when discussing the effects of poorly trained or well-trained employees in attracting loyal customers and keeping employees. It was generally helpful to analyse both the positive and the negative consequences of reducing spending in order to develop evaluation. There were well-reasoned essays on both sides of the argument, either strongly supporting the negative consequences or recognising that there are also positive consequences.

Question 7

- (a) This was the least popular **Section B** question although it was accessible to those who understood the financial section of the specification. Some candidates clearly understood the use of overdrafts, but their answers were very theoretical and lacked the analysis of how this could be used by a business to manage cash flow. Both advantages and disadvantages of using an overdraft were

required to move into Level 3. Successful answers linked to effects such as being able to pay suppliers and employees on time. Less successful candidates linked the use of an overdraft to making more profit which was not the focus of the question.

- (b)** Candidates answering this question needed to understand both cash flow and profit. Many were stronger on cash flow and some ignored profit. Good answers discussed both and developed analysis relating to a new business. Evaluative comments were generally missing or rather brief therefore restricting the marks awarded. Those candidates who recognised that there are short-term and long-term objectives and effects were the ones who gained the highest marks. Other strong candidates noted that the current situation of the business, the aims of the shareholders and the state of the economy may also affect where the concerns of the business should lie.

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Paper 9609/12 Short Answer/Essay

Key messages

- Candidates are advised to read and interpret questions carefully before commencing an answer. There were examples in both sections of this paper where an insufficient consideration of the wording of questions by some candidates led to misinterpretation or the missing of key aspects or contextual factors.
- Care should be taken when selecting the essay in **section B** of the paper. Often it appears that some candidates are attracted by the subject matter of an essay rather than the capacity to address the specific analytical requirements of that essay. This was noticeable in the performance of many candidates who chose the marketing essay in **Question 5**.

General comment

- While it is pleasing to see that candidates are increasingly able to distinguish between knowledge, application/context, analysis, and evaluation, it is still a concern that **(a)** many answers pay insufficient attention to the context of a question (for example **Question 6** where the context was a clothing retailer not a clothing manufacturer) and **(b)** many answers fail to make any substantial evaluative comment either during or at the conclusion of an essay.

Comments on specific questions

SECTION A

Question 1

- (a)** Most candidates were able to present sound definitions of a USP. The general focus was on the special features of a product, service, or business that led to differentiation and a potential competitive advantage. Weaker answers incorrectly interpreted the term as a place where a product is sold or as a unique selling price.
- (b)** This was well answered with many candidates being awarded the full three marks. Even those candidates who presented an incorrect definition in **section (a)** were often still able to provide sound examples of benefits to a business of having a USP in **section (b)**.

Question 2

- (a)** This term proved challenging to a significant number of candidates. Sound definitions of empowerment focused on the passing down of authority to workers to allow them to have some degree of control over how tasks could be undertaken and to be more involved in decision making processes. Some answers misunderstood the term and defined it in terms of managerial control such as autocratic leadership. Other weak answers presented only general definitions associated with motivation or training.
- (b)** Strong business reasons given for decisions to empower workers included those of motivating and stimulating workers through more involvement in business decisions, identifying skills and ideas that would both benefit the business and strengthen the esteem and wellbeing of workers and release managers from Supervisory duties to focus on more important duties.

Question 3

- (a) This question on the financing of capital expenditure was generally well answered and most answers were able to secure a mark of at least 3. Strong answers often distinguished between external and internal sources and recognised the potential significance of the wording of the question of a 'large manufacturing business'. There was often recognition that such a business could well be a PLC and so have access to share capital, perhaps preferential relationships with commercial banks, and possibly substantial retained profits. Weaker answers did not recognise the unsuitability of bank overdrafts, trade credit and debt factoring as methods of financing the purchase of non-current assets. A minority of candidates misinterpreted the question and discussed why a business should invest in new machinery.

Question 4

- (a) Most answers revealed a very sound understanding of the term 'value added'. The most common response was to present the generally accepted formula of: 'The difference between the price of a finished product and the cost of the inputs involved in the production process.'
- (b) Strong answers understood that an increase in value added for a restaurant involved business actions that resulted in either increasing the selling price of meals or reducing the cost of meal production. Many answers presented interesting and relevant actions to enhance the restaurant experience and to attract more customers but failed to identify the need to increase the gap between price and variable cost.

SECTION B.

Question 5

- (a) This was a popular question but there were few strong answers. Many answers simply contained lots of descriptive material about the 4Ps and 4Cs, often with a more limited understanding of the 4Cs. Those candidates who recognised that the focus in the 4Ps model is on the product/business and the focus of the 4Cs model is on the customer, created a sound foundation for subsequent analysis of and comparison between the two models. This comparison was often best achieved with a structure that analysed around the pairings (product-customer solution) rather than dealing with the 4Ps first and then the 4Cs. It would seem that some candidates were attracted to this question for their knowledge of these two models but were not equipped to analyse the differences or similarities between them. Nor were they able to comment on them as alternative elements of effective marketing.
- (b) This question was often not well answered. The context of house construction was a challenging one for some candidates and, of more concern, there was often a quite limited understanding of the concept of customer relations. Stronger answers could have been constructed had some of the components of effective customer relations, such as communication, information, service, support and customer loyalty been identified and analysed. Some answers used the 4Cs model discussed in **section (a)** and developed a discussion of customer relationship management. Few candidates, however, recognised the opportunity in the wording of the question to explore how a business could 'improve' its customer relations. A discussion of 'improve' might well have provided opportunities to consider the feasibility of improvements and their costs and potential benefits leading to evaluative comments.

Question 6

This was a popular question and there was some sound understanding of the key concepts of stakeholders and ethical and social responsibility. Some candidates, however, did not focus on the context of a clothing retailer and changed the context to a clothing manufacturer which resulted in some non-relevant examples of unethical business actions being presented. Others gave generalised answers relating to a business rather than to the stakeholders of a business. The strongest answers identified a number of stakeholders in a business and discussed how their different objectives, wants and needs might well lead to a different and possibly conflicting level of commitment and enthusiasm for a more ethical and responsible approach to business decisions. The identification and analysis of different stakeholders often led to evaluative comments. Shareholders, for example, were considered to be more concerned with dividend levels and profits in the short term but in the long term might well be convinced of the reputational value and potential increased profits from a strong ethically and socially responsible business.

Question 7

- (a) Strong answers considered the functions of a human relations department and identified the potential value of HR activities such as recruitment, training, and motivation and morale methods to an efficient manufacturing process. The interdependency of the two departments was often emphasised and effectively analysed.
- (b) This question proved to be challenging to some candidates. Weak answers only identified actions that a competitor might take but did not link these to possible operational responses. Many discussed marketing responses rather than operational responses or focused with too much detail on technical details relating to cars. Stronger answers identified a good range of possible competitor actions such as new models, improvements in design and quality, and reductions in cost. Such answers perceptively recognised that any response might well depend on the relative strength of a business compared to its competitors and its capacity and need to respond at all. Some very strong answers suggested that an operations department of an effective business will not wait for threatening competitor actions but instead be innovative in such a way as to be the aggressor, putting competitors on the defensive and so prevent any surprising or threatening competitor actions.

BUSINESS

Paper 9609/13 Short Answer/Essay

Key messages

- There was evidence of some knowledge gaps in coverage of the syllabus notably relating to debt factoring in **Section A**. In **Section B** knowledge and understanding of operations management was often not strong.
- Some candidates were unable to complete the essay question through lack of time. Time management needs attention and consideration for some candidates.

General comments

- While it is pleasing to see that candidates are getting better at distinguishing between knowledge, application/context, analysis, and evaluation, it is still a concern that many answers pay insufficient attention to context (for example **Questions 5(b)** and **6**).
- Many answers still do not make substantial evaluative comment either during or at the conclusion of an essay.

Comments on specific questions

SECTION A

Question 1

- (a) The majority of candidates defined a private limited company accurately with a clear description of the key features of this type of business organisation.
- (b) The explanation of advantages and disadvantages of moving from a private limited company to a public limited company was generally sound although some candidates still confuse a public limited company with a public corporation. The ability to raise capital and the likelihood of losing control were the most common advantages and disadvantages identified and explained.

Question 2

- (a) This question on debt factoring proved to be challenging for many candidates. A succinct definition stating that debt factoring is 'the selling of business debts to a third party' was given by few candidates. Many answers revealed a distinct lack of knowledge of this concept.
- (b) Given the limited amount of understanding of the concept, answers to this part of the question were not strong. Relevant answers explaining the disadvantages of debt factoring included reference to reputational damage, a reduction in cash received, and a focus on short term solutions only.

Question 3

This question did discriminate between those candidates who understood both the concepts of product life cycle and product portfolio and those who were able only to focus on the concept of product life cycle. Sound answers recognised the interdependence of the two concepts. The product life cycle is a mechanism for ensuring that the product portfolio (the range of products presented for sale by a business) is a range of products that maximises efficiency in the use of resources.

Question 4

- (a) While many candidates were able to define 'lead time' as the normal time taken between the ordering of new inventory and their delivery there was a significant minority who confused the concept with the sale of goods.
- (b) This question was very well answered and many candidates scored maximum marks. Advantages of effective inventory management included the ability to reduce waste, to meet surges in demand, and to secure good discounts from suppliers.

SECTION B

Question 5

- (a) This was a very popular choice of essay and there were many very confident responses discussing the advantages of a 'partnership' as a business structure for a small business. Sound answers identified and analysed a range of advantages for a partnership business including the ability to raise extra capital, the likelihood of more ideas to assist decision making, and the opportunity for task specialisation. Less successful answers drifted into a formulaic discussion of advantages and disadvantages of partnerships which was not the question asked.
- (b) Less successful answers were unable to relate discussion and analysis to the precise context of this question-a small business manufacturing designer handbags. Strong answers identified and analysed relevant success factors related to manufacturing for a likely very competitive niche market. Factors such as the quality of the product, the amount of capital available, and the competence and business expertise of the small business were among those most discussed. The requirement to discuss 'the most important factors' provided a clear opportunity for evaluation-an opportunity many candidates were unable to seize.

Question 6

Less successful answers to this question produced rather general non contextualised answers that simply discussed the advantages and disadvantages of a PRP pay scheme unrelated to either a salary payment scheme or the context of the business situation given in the question. Such answers often failed to gain a mark beyond Level 2. Strong answers compared the potential advantages and disadvantages of adopting PRP instead of a salary scheme and then made explicit reference to the significance of the phrase in the question-'a poorly performing business'. These answers discussed such issues as the extent to which PRP is suitable for all business employees, and to what extent pay systems might be relevant to a poorly performing business. Evaluative suggestions relating to other possible causes of poor performance often led to high quality discussion and analysis.

Question 7

- (a) This question was not a popular choice for candidates. Many answers failed to identify the activities and objectives that a business would wish its marketing department to achieve. It is important that candidates have a clear understanding of the core functions of marketing and how these functions assist business performance. Strong answers identified and discussed important business and marketing concerns such as market share, brand identity, and product portfolio and analysed them in the context of criteria such as clarity, relevance and realism. Perceptive answers recognised the link between clear marketing objectives and effective marketing strategies.
- (b) Strong answers recognised and discussed the interdependence of different business organisation departments in the effective pursuit of marketing objectives. Examples were given of marketing objectives such as new product development, increasing market share, and entering new markets that required the support and cooperation of functional departments such as finance and operations. The need to take account of corporate budgets and business operational capacity were examples given of the need for inter departmental cooperation to exist.

BUSINESS

Paper 9609/21 Data Response
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Key messages

- Encourage candidates to use the context, presented in the case studies, to support their responses.
- Advise candidates to use a calculator where appropriate but show full workings when answering quantitative questions such as **1b(i)** and **2b(i)**.
- Identify what analysis and/or evaluation is appropriate to a question and practise these skills.
- Candidates can reach application and analysis with a few well developed points
- There is an improvement of more candidates referred to the case material in attempting 'Analyse, Recommend and Evaluate' questions. More candidates managed to score 'Application and Developed Analysis' marks on parts **(c)** and **(d)**.
- Candidates should practise writing a balanced argument for **(d)** questions which conclude with a judgement/recommendation that avoids repetition of previous points.
- Ensure full understanding of the command words
- Revise key terms for 'explain/definition' questions and get students to produce their own list of words/definitions/explanations with examples.

General comments

The case material for both questions seemed to be well understood. There seemed to be little difficulty with understanding the questions set although some candidates answered **1(a)(ii)** by defining a public corporation rather than a public sector organisation. In **1(b)(ii)** some candidates referred to shareholders which was not the context of the organisation.

Teaching tip: Good, contextual analysis is essential, particularly in (c) and (d) questions

As in previous sessions, candidates should make full use of opportunities to:

- Use the context
- Identify opportunities to analyse – **Questions 1(c)** and **2(c)** required good analysis based on chains of reasoning
- Identify opportunities to evaluate – **Question 1(d)** required an evaluation of a decision.

Comments on specific questions

Question 1

- (a) (i)** Candidates demonstrated good knowledge of 'market segment'.
- (ii)** Most candidates managed to score two marks by explaining 'public sector organisation' and scored another mark for giving relevant examples such as hospital, education, police force, etc. Some candidates confused public sector organisation as a 'public limited company'.
- There is no need for context in answering part **(a)**

- (b)(i) Many candidates scored full marks on calculating the gross profit margin of 25 per cent for The Lido. Some candidates scored one or two marks for providing the formula and/or identifying correct figure(s). Some candidates used cost of sales instead of gross profit to calculate the margin, they could manage to score a mark for identifying the correct figure of Revenue with working provided. Use of a calculator is recommended for the examination.
- (ii) Most candidates showed good knowledge of 'stakeholder' but failed to explain the effect on a stakeholder in context. Some candidates chose shareholder which is not in context. Good answers chose a stakeholder from the case study, e.g. government or local community and explained a possible impact.
- (c) Candidates demonstrated good knowledge of 'price discrimination' and managed to score application marks but lacked in-depth analysis of an advantage and disadvantage to the organisation. Evaluation is not required.
- (d) Most candidates recommended SP to close The Lido but only produced a one-sided argument, which was not enough to score evaluation marks. Those candidates who developed a two-sided argument were able to access the evaluation marks and even scored full marks for giving a justified recommendation.

Question 2

- (a)(i) Candidates were able to produce the standard definition of demand but a few confused 'amount' with 'customers' so referred to the number of customers willing and able to purchase.
- (ii) Candidates showed good understanding of partnership and referred to 'two or more...' and 'shared responsibilities/profits, etc.' with the better answers including 'unlimited liability' or 'lack of continuity'
- (b)(i) Many candidates managed to score full marks on calculating the revenue of \$100 000 generated from cakes with a jam filling. Those who did not score full marks managed to score one or two marks for calculating 10 per cent of jam filling and/or recognised the total sales revenue was one million. A few candidates gave the answer of 90 per cent or \$900 000 which was for the other two cake fillings.
- (ii) Product portfolio was understood by the majority of candidates. Good answers used the calculation from (b)(i) to state that there could be a potential loss of 10 per cent of revenue (or \$100 000).
- Answer the set question.
- (c) Candidates displayed good knowledge of 'job production' and managed to score high marks for analysing an advantage and a disadvantage to KC of using job production. Those candidates who developed the analysis using a chain of reasoning achieved full marks.
- (d) Most candidates only managed to talk about what elements were in or not in the job description created by James. Their analysis focused on the impact on KC rather than commenting on the content of the job description on the recruitment process or on the applicants. Few candidates developed the analysis and hence failed to achieve evaluation marks. Many candidates made use of the information but few used it to develop good, contextual, analysis based on a chain of reasoning. Some candidates rewrote parts of the job description only, which is not sufficient for context.

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Paper 9609/22 Data Response
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Key messages

- Questions can be asked on all aspects of the syllabus. It was obvious that many candidates lacked a depth of knowledge to answer **Question 2(c)** and some candidates had no knowledge of the competencies.
- The key to gaining marks on 8 and 11 mark questions is developing and showing the skill of analysis and developing chains of analytical argument. This skill is essential in the higher mark questions and a lack of developed analysis is often the limiting factor in responses.
- The focus of a question is essential to spot before a candidate starts to answer. For example on **Question 1(d)** the focus was the analytical effects on stakeholders not the businesses. Any analysis of the effects on CL is not answering the question.
- There are four assessment objectives being assessed in this examination. The most common error to be avoided in each of these skill areas are:
 - **Knowledge** – not knowing something is an obvious barrier to gaining marks. However, there were many examples of candidates who obviously did know the terms but misread or misunderstood their meanings. For example, on **Question 1(a)(i)** there were many responses where the candidate gave a good definition of a private business, not a private limited company. Whilst this is an understandable error when a candidate is under time pressure, centres must make sure that candidates do not waste these relatively simple marks in the examination.
 - **Application** – the data given is relatively short, but there is always enough context to make sure every point is based on the data. Too often candidates ignored the data and simply wrote everything they knew. A really good example is **Question 1(c)** where a large number of candidates chose to analyse the effect of the redundancies on the government. Whilst there is no doubt that the government would be affected, there is little or no data in the examination to base it in the context of OT. This left candidates with a really tough task trying to gain all the marks available using this stakeholder and most were unsuccessful. Much better to use the obvious, contextual stakeholders rather than the first ones to come to mind.
 - **Analysis** – developing chains of analysis is the most fundamental skill in writing a longer answer in this subject. For example on **Question 2(c)** candidates needed to analyse advantages. This is not just '....could increase productivity', but needs to be taken further '....could increase productivity, which may lead to more umbrellas being made at a lower costs and lead to an improved profit margin'.
 - **Evaluation** – this is about answering the question, which usually requires a judgement. There are three stages to a good evaluation, making the judgement, developing it, often in terms of different perspectives or what the judgement 'depends upon' and then justifying why it is the right judgement. Too often candidates try to gain evaluation marks by repeating what they have just argued. This is not evaluation and will not be rewarded.

General comments

The two pieces of data provided fairly contrasting evidence for candidates which allowed them to develop their application within context.

Clothing Line (CL) is an online clothing retailer operating in the tertiary sector. This contrasts with Wet Water (WW) which is a new primary sector business.

The main reason for giving such contrasting contexts is to allow candidates to take their knowledge of AS Level Business and apply it to these contexts. However, so often candidates do not apply their knowledge

and simply answer generically. This is never going to be well rewarded as it is not giving an answer within the context of the data.

Comments on specific questions

Question 1

- (a) (i) Most candidates identified the word 'capital' but then let themselves be led down the wrong pathway to write about 'working capital' or 'capital expenditure'.

There were also a great deal of tautologies – candidates using the words 'venture' and 'capital' to define the term 'venture capital'. This is one of the most common errors on definition questions and must be avoided if possible.

- (ii) Where a term has two words, one of the most straightforward ways to explain the term is to explain each word and then give an example of how they are combined together. So candidates who got three marks, often explained what growth was, then explained how this could be internal and then gave an example, such as opening new branches. This gave a succinct and easy to follow answer that did what it was supposed to do.

- (b) (i) Most candidates knew the current ratio; a few of them did invert the formula however. Most managed to find the correct numbers and this was a well attempted question.

- (ii) Most candidates worked out how to approach this question. Those candidates who did not gain full marks often made simple mistakes. Where working was shown, a mark could be awarded for appropriate working. However some candidates did not show their working and this meant that, in the case of a wrong answer, no marks can be given.

- (iii) Most candidates could identify limitations of published accounts, but they often struggled to contextually analyse the possible impact on Thamir. What was more common was a generic set of 'textbook' limitations of any accounts.

In this context Thamir has a specific set of needs from the published accounts of CL and this needed to be addressed by candidates in their answers. There is always enough contextual data to support a number of different points in a question like this and candidates only needed to find two to fully answer the question.

The 8 mark analysis question (as with all questions) can appear anywhere on this paper and it was pleasing to see that this did not result in candidates writing too little in answering this question.

- (c) Although answers to **Question 1(b)(ii)** were not 'short' answers to this question were often too long. Although this is a 4 mark explain question, only two qualities were required. Many candidates wrote about 4 or more qualities and spent too long on this question. This question was specific to Thamir so there needed to be context in the answer. Again this was often lacking meaning no matter how many qualities are tackled, a maximum of two marks can only be awarded.

- (d) The focus of this question is the stakeholders of CL. CL itself is not a stakeholder and therefore any analysis of the effect of introducing JIT on CL is irrelevant. The effects need to be analysed on the stakeholder, not the business, for example, Thamir, the other owners, the customers, the workers etc.

The question states that candidates should discuss which stakeholders are likely to be most affected. This requires more than one stakeholder to be analysed (two is fine as long as both are done well) and then a judgement to be made over which is most affected. Even those candidates who managed to analyse the effects on the stakeholder, often did not evaluate and judge which stakeholder was most affected.

The data, once again, contains clues as to which stakeholders the candidates would find easiest to analyse. For example the 'next day delivery' may not be possible under JIT and this could easily affect the customers enjoyment, happiness and when they will receive their product. This type of analysis was what was required in this question and needs more practice by centres.

Question 2

- (a) (i) Primary sector was a well understood term and most candidates made a good attempt at this question. The only disappointment was that candidates sometimes used words such as 'manufacture' or 'sell' when referring to the raw materials. Primary is not about manufacturing or selling, but some form of extraction and these terms must be used accurately.
- (ii) Again flow production was a reasonably well understood term, however candidates sometimes struggled to distinguish it from other forms of production, such as batch or job. When explaining what a method of production is, candidates need to make sure they do not inadvertently write something that could be confusing. For example it was common to read that 'flow production makes products one at a time..'. This is often true on an assembly line using flow production, but is also true of job production. It is the candidate's role to make sure that they write clearly and without ambiguity.
- (b) (i) Whenever a calculation question has 4 marks associated with it, there will be a number of stages involved in the calculation. Too many candidates found one of the percentages and left their answer at this point. Again, this is a result of candidates not always fully reading and understanding the data given. Candidates should, always, set out their calculations carefully so that the Examiner can follow their logic and award as many marks as possible.
- (ii) A short question that only required a brief sentence or two (in context) to answer it. However some candidates went far beyond this giving a paragraph or two to show everything they knew about niche marketing. Sometimes these long answers were still only awarded one mark because they were not in context. If the question mentions the business (or a stakeholder of the business) then the answer must be in context.
- (c) Goleman's emotional intelligence competencies are specifically outlined in the syllabus and should have been a piece of knowledge that was available to all candidate. The competencies are self-awareness, self-management, social-awareness and social management. The question specifically asked about any two of these and therefore any answer which could not identify a single competency could not be rewarded with any marks.
- Many candidates who did not know the competencies tried to analyse the usefulness of emotional intelligence but this was not an appropriate answer to the question.
- Again there was a wealth of context that candidates could use to try and answer this question in the data, including the person specification in Fig. 3. Those candidates who did know the competencies tended to do well and could pick out the relevant context.
- (d) A promotion question tends to be done well and most candidates had plenty to write about when asked to recommend suitable promotional methods for WW. As with **Question 1(d)**, two methods is enough to gain full marks (assuming they are done well) and too often candidates tried to analyse three or four methods and never actually came to a recommendation, despite gaining as many marks as possible for analysis.

In this question, context was actually used quite well with candidates choosing to analyse promotional methods that were particularly suitable for WW, such as sponsorship of sporting events.

BUSINESS

Paper 9609/23 Data Response
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Key messages

- **Questions 1(c), 1(d), 2(c) and 2(d)** all require extended answers in order to create arguments and where required come to a justified conclusion. There has been an increase in the overall ability of candidates to ensure that there is application to the case study by using specific terminology from the data supplied, however there is still a significant number of candidates that rely on generic terminology such as 'workers' rather than naming case specific workers e.g. Fishermen.
- Candidates are also able to access the basic analysis marks for the above questions, however due to a lack of structure and development, higher level analysis marks are being missed as a number of students are relying too much on single sentence analysis. For example in **Question 1(c)** students often created two simple sentences regarding the same subject which are both seen as basic analysis, however if joined using developmental words such as 'however; which leads to' would lead to students being awarded developed analysis.
- In **Question 2(c)** a significant number of students lost half of the available marks as 'profit' was used as a measure of size – this is incorrect according to the syllabus which clearly states profit is NOT a measure of size.
- In **Question 2(d)** a significant number of students chose 'the government' as a stakeholder in the business due to an increase in tax revenue – while this is true, students lost marks as there is no reference to the government in the case study so application and developed analysis marks were lost – students should be choosing evidence from the case rather than a list of generic examples.
- Centres must prepare candidates better to respond at the right level to the command words. On this specific paper:
 - **Question 1(a)(i) and Question 2(a)(i)** both require definitions only. This is simple repetition of a learned definition with no application or development required.
 - **Question 1(b)(ii) and Question 2(b)(ii)** require explanations without any stimulus material. For a three mark question students should have a detailed definition plus an example not from the case, as tautological responses do not show understanding.
 - **Question 1(b) and Question 2(b)** Require calculations followed by a question related to that answer. Candidates must use the calculations in the second part to be certain of gaining full marks.
 - **Question 1(c) and Question 2(c)** both require analysis in context. Candidates should aim to provide two well-analysed key points in context. There is no requirement for any conclusion.
 - **Question 1(d) and Question 2(d)** both require an evaluation based upon developed analysis of two key points in context.

General comments

While large amounts of data are provided, students must improve their ability to select the most appropriate, applicable data to the question. Many students compose an answer which has excessive amounts of data which is not answering the question set. This approach often leads to basic levels of analysis; students often miss the opportunity to develop analytical points.

The case material seemed to be well understood and was used well. There was little difficulty in understanding the questions set, however in **Question 2(a)(ii)** many students were unable to explain the correct motivational theory which meant a significant number of students scored no marks, showing the importance of learning definitions of key areas.

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Comments on specific questions

Question 1

Most candidates were able to answer this question. It was a very rare case to find it unanswered. Most candidates were scoring at least more than five out of ten.

However, the following issues need to be taken note of:

- Some candidates were instead analysing the **advantages to the workers** of the very workers being in a trade union which was an NAQ
- Others were analysing the disadvantages, and this was not awarded since it wasn't the question.

Question 2

(a) (i) and (ii)

It is interesting to note that most candidates were able to calculate the difference in capacity utilisation and Change in monthly total cost.

However, the following concerns were common:

- Not writing the correct units, for example '%', '000s'. Teachers should be reminded that a full mark is deducted for such errors which may be a difference between getting a higher grade and a low grade.
- Second, a couple of candidates were presenting **2(a)(ii)** answer for **2(a)(i)**. This implies candidates were more familiar with calculation of costs than capacity utilisation.

(b) It is important to note that **2(b)** was well-answered by a significant number of candidates.

However, most candidates were never linking efficiency with computer application when defining ERP, which could only lead to L1 for all skills.

Question 3

A significant number of candidates were able to:

- suggest an organisation structure, e.g. Matrix
- suggest an appropriate span of control/delegation.

There were just rare cases where candidates, instead of focusing on structure could focus on motivation/leadership and/or communication.

Question 4

(a) (i), (ii) and (iii)

Most candidates were able to calculate these questions, except for not putting the appropriate units, thus in such cases, candidates lost a mark.

Also, on (iii), most candidates seem to have ignored the last statement on the question: 'stating one assumption made'. The biggest number was ending at the calculation.

Again, on (iii), teachers should be reminded to emphasise use of EBIT or operating profit rather than net profit when writing the formula for ROCE.

- (b) Most candidates were able to use results from **4(a)** and other relevant information. Teachers should be reminded to draw the candidates' attention to the word 'AND' whenever it appears in the middle of a question, since one can never get maximum marks by answering only one part.

Question 5

By and large, it was a well-answered question by most candidates. Most candidates were able to identify the role of product development of the future success of SU.

Question 6

This question was not well answered by many candidates. Key points like strategic implementation involves business plans, setting how corporate culture may need change, managing that change and need for a contingency/crisis plan were hardly seen in most candidates' work.

Question 7

Generally, it was well-answered and indeed the most answered question in **Section B**. Most candidates were able to clearly identify four major strategic choice techniques which include – Ansoff's Matrix, Force Field Analysis, decision tree and investment appraisal.

However, few candidates confused the strategic choice techniques and strategic analysis techniques. They were writing techniques like SWOT, PEST and Michael Porter's five forces among others which are typically strategic analysis techniques. Such candidates were scoring very poorly on this question.

Second, teachers should remind candidates that they cannot earn any Application (App) marks without Knowledge (K), neither can they earn any Evaluation (EVAL) marks without Application (App).

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Key messages

- In numerical questions the units are important, should the answer be in \$m or %?
- Define key terms
- Aim to include evaluative comments in main body of answer – not just the conclusion
- Take note of the key directive words in the question
- Deeper understanding of concepts is required. For example, there is a difference between increasing capacity utilisation and increasing capacity
- Candidates need to be able to distinguish between different elements of strategic management.

General comments

As in previous years, there were a wide range of marks awarded to candidates which ranged from those with a comprehensive understanding of the syllabus material, to a significant minority of candidates who showed an inadequate grasp of business concepts and an inability to accurately define key terms such as elasticity and capacity utilisation. Many answers lack focus on relevant issues; sometimes due to a lack of knowledge but often due to insufficient consideration of the wording of the question. This was particularly apparent in the answers to the question on the usefulness of forecast income statements to the directors of DLR; frequently candidates commented, in their answer, on other stakeholders. There were a few notable examples of candidates that provided concise and clearly focused answers making excellent use of the case material. These candidates demonstrated that it is not the length of answer that is significant but the quality of what is written.

Some good candidate scripts were let down by answers to **Section B. Question 6** produced few effective responses. **Question 7** was the more popular option and candidate answers generally lacked a focus on the link between strategic choice techniques and risk. Once again this paper suggests that not only do candidates confuse strategic analysis with strategic choice. Strategic choice techniques include investment appraisal, force field analysis, decision trees and Ansoff's Matrix. Techniques of strategic analysis include SWOT, PEST, Porter's 5 forces, and core competences. Candidates must ensure that they understand the difference between these different stages of strategic management and their usefulness to business.

Comments on specific questions

Section A

Question 1

This was a difficult question. The implications of elasticity were not well understood with some candidates making no comment on it at all. Such candidates were limited to knowledge and application marks for commenting on marketing planning. Some candidates confused marketing plans with corporate plans. A useful approach to answering the question was to define the key terms 'elasticity' and 'marketing plan'. Typically, candidates commented on price elasticity of demand observing that this would help DLR set an appropriate price for its accommodation. Better answers linked this to the discounts proposed for out of season pricing commenting on the potential for demand to be price elastic. Many candidates also commented on promotional and income elasticity of demand with a few also considering cross price elasticity.

However, understanding of elasticity was frequently limited; candidates believed that price elasticity measured whether demand would rise or fall. A common assertion was that if demand were price inelastic then demand would not change. More successful answers recognised that elasticity measured the extent to which demand would change in response to a change in determinant. Inelastic demand, for instance still responds to price changes in the same direction as elastic demand, but to a far lesser extent.

A few candidates discussed the usefulness of the elasticity concept and thus provided analysis of the weaknesses of the concept. Such commentary, however convincing, was not rewarded as the question was specifically focused on the benefits of the concept in developing the marketing plan. No evaluation was required to achieve full marks.

Question 2

- (a) As the candidates had an example of an income statement in the case study, this question was, in essence, a straightforward maths question. Many candidates gained full marks, setting out the forecast income statement accurately and applying the changes suggested in the text. A few candidates lost a mark for either missing out the appropriate unit \$ or not recognising that the figures were in millions.

Most candidates, but by no means all, were able to calculate gross profit correctly. After that common errors were:

- simply using the corporation tax figure of \$1.8 m from the 2018 Income Statement
- to add all the expenses together, ignore operating profit, and move on to profit before tax
- to assume that the dividend figure was calculated by taking 40 per cent of profit for the year plus the \$4 m from the 2018 Income Statement
- a few candidates merely reproduced all or some of Appendix A.

- (b) The majority of candidates gained full marks for this question. Candidates demonstrated appropriate exam technique by stating the gross profit margin equation and setting out the calculation in full. Nearly all candidates correctly identified the answer as a percentage figure.

- (c) As there was an Income Statement in the Case, the vast majority of candidates were able to identify that it enabled directors to calculate forecast revenue, expenses and profit. Following on from this, many candidates observed that as this was a forecast, directors would be able to identify potential problems ahead of the game and take appropriate action. Many also correctly noted that companies could make comparisons with earlier income statements and identify trends or use as a means of control. However, many candidates did not understand the focus of the question and commented on the usefulness of the forecast to stakeholders other than directors. Quite a few wrote about shareholders and employees.

Stronger answers went on to note that as profits were increasing in the forecast – unlike the earlier losses – this might attract investors or enable the company to obtain bank loans for potential apartment improvements. Some good answers also calculated relevant ratios.

Many candidates developed evaluation by observing that figures were only forecasts and therefore not factual. This was contextualised by noting that DLR operated in a very dynamic environment with increasing competition, changing demographics and economic fluctuations.

Question 3

This question provided plenty of scope to use the case study. Weaker candidates tended to look backwards to the problems that existed in terms of HRM at DLR and often spent a page or more describing the problems rather than focusing on recommending changes. Stronger responses briefly identified the problems and then analysed options for changes. Recommendations tended to focus on a softer approach to management encompassing, more democratic styles of leadership, changes to contracts, increasing pay and decentralisation. Some candidates produced a long list of suggested changes without any extended analysis of those changes. Thus, candidates often gained all the knowledge and application marks but did not move their answer out of L1 AN. Better analysis was evident in answers that developed an extended chain of argument of how a change in, for example, leadership style would impact staff motivation and consequently raise efficiency and improve the customer experience at the leisure resorts leading to an increase in sales in the longer term.

What was missing from the majority of answers was any attempt to justify the recommendations or explain which of the suggestions were the more difficult to implement or most likely to succeed and as a result very few EVAL marks were awarded by examiners on this question. Candidates frequently repeated that the HR Director 'should do this, should do that' but without providing any supporting evidence or justification. There were candidates who realised costs would rise, and some evaluated that the long-term benefits would outweigh this. However, candidates frequently suggested changes that were beyond the power of the HR Director to implement.

Question 4

A significant number of candidates did not attempt the calculations.

- (a) (i) The majority of candidates gained two marks on this question, clearly stating the formula and performing an accurate calculation.
- (ii) This was well answered. Many candidates gained three marks as they incorrectly calculated contribution per unit by using the average revenue per apartment per day rather than average price paid per apartment per day.
- (b) This proved to be the second most difficult question for candidates. Many candidates thought that the question was about increasing capacity, rather than better utilisation of existing capacity. Consequently, these candidates often made no rewardable observations. Less successful candidates simply asserted that profits would automatically rise. A few answers noted that profits would only rise if price was not dropped too much and variable costs did not rise too much. The concept of elasticity of demand was important, but rarely used. Those who got the point argued well about spreading fixed costs, the possible need for reducing price and the impact on variable costs – which was effectively linked with the current wage/employment structure by some, were very good answers. Some candidates lost sight of the industry the firm was in and made suggestions and observations more suitable to manufacturing.

Question 5

Candidates generally took the approach of defining at least two of the forecast changes in Table 3. Accordingly, this approach they were credited with knowledge marks. It was rare for candidates not to achieve L2 knowledge for this question. However, infrastructure was not well understood, though some candidates made an acceptable deduction that taxes may have to rise to pay for it. The other economic and competition factors were well-known, although there was confusion about the effects of a currency depreciation. Good answers observed that the currency depreciation would make holidaying in country Z more attractive to foreigners.

Candidates were able to gain application marks by linking the external influence to DLR, for example the forecast average annual GDP growth of 3.5 per cent could raise consumer incomes and result in increased demand for DLR's holiday accommodation. The majority of candidates were awarded L2 application for this question, by linking the forecast changes to DLR decision making, for example identifying that the rising GDP might facilitate DLR raising the price of its accommodation. Knowledge and application marks were very accessible for candidates to achieve.

Candidates were able to gain analysis marks by developing a causal line of reasoning stemming from the forecast changes influencing DLR decision making. The better candidates would further develop their lines of reasoning to consider a chain of arguments and subsequently were more likely to achieve L2 analysis. Occasionally, candidates would link their points to how the success of DA could be influenced by external factors, but in many responses this link was not explicit. High scoring candidates tended to be those who focused on two forecast changes and thus spent time developing and evaluating the impact on decision making. In contrast, many candidates devoted too much time and effort to defining all or most of the changes in Table 3 and consequently developed very limited chains of reasoning.

Many candidate responses were limited by focusing on the impact of the forecast on DLR's success rather than linking the forecasts to DLR's decision making. Some candidates' analysis was superficial and brief, limiting them to L1.

Candidates struggled to evaluate effectively in this question and marks were often sparsely awarded. Candidates often did not make any judgements, and where judgement was shown, it was often superficial. Subsequently, it was infrequent that candidates achieved higher than 9–10 marks for this question. The better candidates recognised that some external factors could affect DA more than others and made judgements in terms of the significance of these on DA's decision-making. Furthermore, candidates scoring more evaluation marks recognised that internal factors could also affect DA's decision-making.

Section B

Question 6

This question was less popular than **Question 7**. Evidence suggests that it was chosen by weaker candidates, and this was reflected in the low mean mark for the question. Candidates did demonstrate knowledge of business planning and often described how a corporate plan could give focus for the business and its employees. There was also a recognition plans act as a means of control and review, encouraging an effective use of resources. However, most candidates missed the focus of the question regarding the link between planning and future profitability. Opportunities to develop application were missed by many candidates. Better answers made reference to the financial difficulties faced by DLR and the internal weaknesses identified in the strategic review that required action to be taken by DLR's management. A few answers gained 10 or more marks and these developed some analysis of the role of planning in increasing profit and made judgements regarding the importance of planning. Where no link was made between planning and profitability answers were limited to L1 AN and EVAL.

A few candidates wrote only about the importance of profitability to business and made no comment on planning at all.

Question 7

Question 7 also produced some detailed plans for the firm but scarcely mentioned or did not explain the strategic choice techniques and how they worked. Other weak responses wrote at length in context but gained few marks because they did not grasp the thrust of the question, which was to explain the techniques, their function, use and limitations. Well structured responses defined strategic choice and referred to various techniques such as Ansoff's Matrix and force field analysis using the case material to then develop application and analysis. However, frequently no link to risk reduction was made and this limited answers to L1 AN. Some good answers identified how consideration of investment appraisal techniques and other strategic choice techniques could reduce risk. Simple evaluation was often shown by commenting on the limitations of the techniques, in particular the likelihood of estimates of future revenues and profit proving incorrect or the quantitative nature of specific techniques. The best answers provided in-depth analysis and gave thorough evaluative comment throughout the answer and in the conclusion. Good points were made about the need for PEST and SWOT analysis before strategy could be formulated but quite a lot of candidates focused only on strategic analysis techniques and thus gained no marks

Some candidates interpreted the question as asking which of the strategic options to choose. The focus of these answers was incorrect and therefore analysis and evaluation did not address the question of risk reduction.

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Key messages

- Addressing the specific question asked is a requirement for knowledge and analysis marks to be awarded
- Providing relevant definitions of key terms used in the question demonstrates knowledge and assists the candidate to focus on the question.

General comments

Most candidates demonstrated a good understanding of the business concepts referenced in the case study. There were many excellent scripts, which developed well-structured answers providing evidence of the assessment objectives. In particular, answers were frequently analytical drawing on relevant theory and with a good focus on the context. There were many examples of L2 analysis in all questions and it is encouraging that so many candidates provide evaluative comment to **Section A** questions in particular. However, many candidates leave judgement to their final paragraph. It is recommended that candidates develop evaluative comment throughout extended responses to all questions other than **Question 1**. Further, candidates should take care to address the specific question asked; failure to do so meant that some evaluative comment was not relevant.

Once again, candidates performed well on the numerical questions. Most stated relevant formulae, and gave answers to an appropriate level of accuracy with the correct unit of account indicated.

Section B continues to provide a challenge to candidates. **Section B** requires candidates to demonstrate their analytical and evaluative skills. While there are a large number of candidates who offer effective and relevant analysis, it is a much smaller number who offer in-depth evaluative comment.

Comments on specific questions

Section A

Question 1

This was one of the most accessible extended questions on the paper reflecting the strong understanding of fiscal policy and its impact on business by the majority of candidates. Many candidates correctly defined fiscal policy as relating to government spending and taxation at the start of their answer. This ensured a clear focus for the proceeding analysis. Most students gained application marks by linking the reduction in defence spending to BKC's future sales of uniforms to the army and commenting on the impact on BKC's factory provided simple analysis and further application. Effective links were often made between the sales tax increase and BKC's pricing which was already higher than competitors. Some very good answers commented on the significance of price elasticity of demand to future sales.

Very few candidates showed any confusion over the scope of fiscal policy. However, a small number of candidates mistakenly discussed quotas as part of the government's change in fiscal policy.

Question 2

- (a) (i) Candidates were uncertain about the rules of drawing networks. Common errors included:
- not connecting activities with nodes
 - having more than one starting and/or finishing node
 - showing particular activities more than once on the network
 - activity letters being placed within the nodes.
- (ii) A significant number of candidates did not attempt this question. Most candidates gained marks for correctly identifying some of the ESTs and LFTs. However, it was quite common for the EST of activity A to be identified as six weeks rather than zero.
- (b) There were many good answers that appreciated the role of critical path analysis in facilitating the completion of the project to the timescale identified. Many candidates contrasted the deadline for completion of the project with the minimum time indicated by the network. This typically formed the basis of a simple evaluative comment. Most candidates developed their answer with reference to the network drawn and many combined this with information from the case study to consider the likelihood of the factory being completed within 23 weeks. The best answers referred to the limited total float of the project, commented on the critical path and highlighted the specific pinch points within the project such as delivery of the panels for the walls and roof which were to be made abroad. Such considerations often resulted in thoughtful evaluation of whether the factory was likely to be completed on schedule.

Question 3

Evaluate the implications of increasing globalisation for BKC's future marketing plans.

This proved to be a challenging question with a mean mark of 6.5. A few candidates only identified elements of a marketing plan but made no link to globalisation. Better answers provided an accurate definition of globalisation and made use of the case material to consider its impact on marketing. For example, some candidates highlighted the increased competition that BKC would face if barriers to trade were reduced and commented on the likely impact this would have on BKC's pricing and target market. Good answers analysed at least two elements of the marketing mix within the context of the case and globalisation. The best answers considered a range of issues arising from globalisation and made links to the marketing mix and other elements of a marketing plan. Those candidates gaining 10 or more marks typically gave a balance of positive and negative effects of globalisation on BKC's marketing. For example, opportunities for selling abroad were identified and comments made on the implications for marketing such as the role of the internet in promoting BKC's clothes. Evaluation was approached in a number of different ways. For example, some candidates highlighted what they considered to be the most important implications, others considered short term versus long term implications whilst some considered factors that would determine the marketing response such as price elasticity of demand.

Question 4

Candidates found **Question 4(a)** accessible. Examiner reports routinely highlight the importance of candidates setting out methodology for which marks can be awarded even if the final answer is incorrect. The majority of candidates have heeded this advice and, as a result, many candidates gained marks for correct formulae.

- (a) (i) Candidates performed well on this calculation with a significant majority of candidates able to calculate the inventory turnover correctly. There were only a few cases of candidates using the incorrect unit of measurement.
- (ii) 8 per cent of candidates omitted this question indicating a technique with which candidates were unfamiliar. However, a majority of candidates gained full marks.
- (b) Although the calculations proved accessible, many candidates found writing about how to improve financial ratios difficult. In some cases this was because candidates were unsure of which ratios were financial ratios. Thus, discussion of profit ratios, liquidity ratios and gearing ratios was given in some answers. This occurred even when the candidates had given the correct answers to **Question 4(a)(i)** and **(ii)**. Candidates should be aware that the follow-up to **Questions 2(a)** and **4(a)** typically relate to the calculations performed.

Some candidates accurately defined financial efficiency ratios as measuring how efficiently the resources/assets of a business are used. Most answers then focused on the ratios calculated in **Question 4 (a)** making suggestions for improvement. This reflected that many candidates did not analyse the impact of their suggestions, i.e. no accurate chains of reasoning were offered. Evaluation was absent from all but the best answers.

Question 5

The case identified a number of issues with the current communication between BKC and its customers and employees. The majority of candidates explained the current problems and from that proposed a range of solutions. Such answers typically gained the application and knowledge marks with relative ease. However, in some cases issues were copied from the text with no or little interpretation offered. Responses of this nature were limited to L1 APP. Better answers showed an understanding of the problems in context and then offered analysis of solutions. Given that marketing at BKC was still using market research from 2010 and that there was no way for customers to give feedback using IT a common solution was to suggest the use of social media to allow two-way communication with customers and quick feedback on designs. However, relatively few candidates offered any evaluation of methods of communication. Consequently, not many answers gained more than 10 marks.

Most candidates made suggestions for employee communication with reference to the inadequacy of notices being placed on the canteen noticeboard. Employee meetings at the start of the shift, quality circles and email were frequently offered as solutions. However, many candidates did not consider the likely success of their suggestions and thus missed out on evaluative marks. A few candidates recognised that BKC's failure to communicate plans for the factory with employees was problematic. Better suggestions focused on the need for face to face communication for sensitive matters such as possible job losses. Varying the solution according to the importance of what needed to be communicated was one way in which candidates developed useful evaluation.

Section B

Question 6

This question, about the importance of strategic analysis, was chosen by many candidates.

Candidates are familiar with the techniques of SWOT and PEST. Accurate definitions provided a base for answers and most candidates argued that a thorough strategic analysis would guide the direction of BKC and provide the foundations for identifying appropriate strategies. Some good answers clearly explained the role of strategic analysis within strategic management. This enabled candidates to evaluate the relative significance of strategic analysis relative to other elements of strategic management. However, a few candidates devoted too much time to describing each part of strategic management in detail rather than developing analysis and evaluation of their role in achieving long term objectives. Most candidates easily picked up application marks by using information from the case such as BKC's reliance on market research from 2010, strong branding, changes in fiscal policy. Using these hooks candidates often developed some analysis of the consequences for the strategic direction of NFP. However, only the better answers provided detailed evaluation of the usefulness of these strategic analysis techniques. Thus, few candidates achieved more than 12 marks in total. Less successful candidates tended to conduct a SWOT analysis using information from the case, but did not develop their answer by linking the strategic analysis to planning for the future.

Question 7

There was a tendency for some candidates to repeat information from Appendix 2 without further explanation of its significance to strategic decision making. Better answers identified the strategic choice techniques and considered the merits of these techniques and the information for decision making. Application was developed by making links between Appendix 1 and other elements of the case. For example, consideration of whether strategy 1 would enable BKC to compete with international clothing brands as country X moved towards freer trade. However, the focus of this question was not about deciding which strategy BKC should choose. Rather, it was about the information needed to make a decision and the sufficiency of Appendix 1. The best answers kept this focus in mind when discussing Appendix 1. As 70 per cent of the marks for **Section B** are for analysis and evaluation it is essential that candidates develop full chains of argument in each paragraph and attempt to make frequent evaluative comment. There were some high scoring answers to this question that took this approach. The best answers weighed up the value of the information in Appendix 1 and justified why other information was also needed before making a decision. Some candidates

rightly observed that the information was only a summary and that the Board of BKC would need the detailed force field analysis and other information from the decision tree as well. Many candidates identified other significant information required such as the financial accounts of the firm being considered for takeover.