

BUSINESS

<p>Paper 9609/12 Short Answer and Essay</p>

Key messages

- Candidates are reminded that evaluation marks are awarded for evaluative comments made at any stage of **Section B** essays. Concluding sections to an essay provide an obvious opportunity to evaluate the evidence and arguments that have been discussed and analysed and to present an informed judgement. However it can also be productive to make evaluative comments during your essay as you conclude an analysis of an important stage of your developing essay.
- Frequent references to the essay title or statement during an essay can prevent candidates drifting into non relevant issues and also provide opportunities to make strong analytical and evaluative comment.
- It is important that candidates read the essay questions very carefully before deciding which essay to answer and how to answer a chosen essay. There were a number of examples in essay **Question 5(b)** where a complete misinterpretation of the question led to the production of answers containing very little relevant information or comment.

General comment

- In **Section A**, a significant number of candidates are giving too little explanation in answers to **1(b)**, **2(b)** and **4(b)**. There is no requirement to write an essay in response to these questions but answers should consist of some example or development of a concept. Some answers given were little more than a short definitional statement of a business concept.

Comments on specific questions

Section A

Question 1

- (a) Strong definitions recognised that supply is concerned with businesses or individuals supplying/producing/delivering a quantity of goods/raw materials at a given price or at a given time. Weaker answers were unable to give such a comprehensive answer.
- (b) Most candidates were able to identify two non-price factors that could affect demand. The most popular being a rise in consumer incomes, a change in tastes and fashions, seasonal weather conditions and the impact of promotion and advertising. Many, however, did not clearly explain how such factors might lead to an increase in demand. Without this explanation such answers gave only a partial response. A number of answers ignored the instruction in the question and included price factors such as the increased price of substitute goods or services.

Question 2

- (a) This question was generally well answered by most candidates. A common definition of business leadership as the motivation of employees to achieve organisation goals and objectives secured both marks. Other strong answers wrote about vision, guidance, direction and strategy. A small number of weak answers did not understand the difference between business leadership and business management and simply set out business management activities such as 'controlling, organising and coordinating'.
- (b) There were many sound answers to this question. Many candidates correctly identified and explained two styles of business leadership. The most common styles explained were autocratic

and democratic. A significant number of answers consisted of quite short definitions of such styles with very little development and explanation

Question 3

This proved to be a challenging question to a significant number of candidates. Many candidates appeared not to have fully understood the question. Many interpreted the question in terms of business decisions affecting stakeholders whereas the question sought for answers explaining the effect of stakeholder interests **on a business**.

Strong answers recognised the different interests of stakeholders in a business, giving examples of Shareholders seeking higher dividends, Employees seeking higher rewards, Consumers seeking higher quality goods and services, and the Local Community requiring environmentally friendly business activities leading to conflicts of interest. These answers were then able to give examples of how business decisions have to take account of these diverse and conflicting interests leading to compromise and change.

Question 4

- (a) While a minority of candidates were unable to give an accurate definition of 'job production' most defined the term accurately with an emphasis on the production of a 'one off' product or service produced according to specific customer specifications, with a highly skilled labour intensive production process.
- (b) Most answers recognised that 'flow production' involves manufacturing many standardised goods on an assembly line. However the explanations of why a business might choose this method of production were often not strong. Many answers simply described the features of flow production and explained little else.

Strong answers explained the advantages of flow production for specific businesses involved in mass production for large markets such as quality consistency, economies of scale and production efficiencies.

Section B

Question 5

- (a) Strong answers confidently explained crowd funding as the practice of funding projects or ventures by raising finance through many small monetary contributions from a large number of people. In analysing the advantages of crowd funding for small businesses there was often a focus on the difficulty for small businesses in accessing start-up and investment funding such as bank loans. Crowd funding was seen as an alternative speedy, flexible, and cheaper way of raising capital. The added benefits of advice and potential purchasing from the crowd funders were also mentioned in these strong answers. Weaker answers limited their responses to describing the advantages of crowd funding without application and analysis.
- (b) A number of candidates misinterpreted this question and incorrectly described different financial and non – financial methods of motivating employees.

Strong answers recognised that the question required an analysis of the strengths and limitations of measuring business performance using only quantitative measures such as quantitative financial results data. Examples of financial results data such as profitability levels and accounting ratios were given and their limitations discussed. Reference then was made to many businesses using a mixture of financial and non-financial measures to evaluate performance. Weaker answers referred to quantitative measures but gave few if any examples and did not consider any qualitative measures such as employee morale or business plans for expansion.

Question 6

This was not a popular question. Those candidates that produced strong answers often worked methodically through the constituent parts of the marketing mix and suggested how the provision of banking services through the internet could affect each of the 4Ps. An example often given was that of how the banking Product might change through online banking. Increased customer control on the one hand, and the

possibility of offering more comprehensive and more profitable financial services on the other were illustrations of the potential business benefits of internet banking.

However many candidates were restricted to Level 2 marks as no examples of banking services were given. The impact of internet service provision was discussed and analysed only with reference to a generic business with no application to any banking activity. The application and context of banking services to internet provision was a vital part of this question.

Question 7

- (a) This was a very popular question. The majority of answers to this part of the question correctly identified the distinctive purposes and objectives of social enterprises. Strong answers often used the 'triple bottom line' framework to explain how social enterprises use their resource (including profits) to maximise improvements to the economic, social, and environmental well-being of communities. A common example of the potential impact on the development of a country was the provision of employment opportunities leading to disposable income for employees, taxation for the government, and an increased GDP. Weaker answers lacked a detailed understanding of the work of social enterprises and consequently were unable to analyse how they might assist in the development of a country.
- (b) The strongest answers applied understanding and analysis specifically to fast food franchises such as McDonald's and KFC and produced a balanced discussion and analysis of the advantages and disadvantages of engaging in business activity using a franchise. This foundation of specific applied explanation and analysis provided a strong foundation for a well supported overall judgement with regard to the achievement of business success. The most thoughtful answers suggested that there could be a number of factors determining business success such as employee motivation and morale, business location and product quality. Weaker answers simply discussed franchise arrangements generally and were unable to analyse the particular features and challenges of purchasing fast food franchises.

BUSINESS

Paper 9609/22
Data Response

Key messages

- The skill that differentiates candidates is usually application. This is the ability to apply knowledge – in most cases this application to the given data (Job Shop and Too Tasty). If a question requires application to the data then the name of the business or a stakeholder is used in the question. On this paper **questions 1(b), 1(c), 1(d), 2(b), 2(c) and 2(d)** all required application to the data.
- The command word of 'explain' is different to 'define'. A definition can simply be a learned sentence which makes it clear that the candidate knows what the term means. However, an explanation requires understanding beyond a simple definition. One of the easiest ways to do this is with an example. In **questions 1(a)(ii) and 2(a)(ii)**, this example should not be related to the data. However, on **questions 1(b)(ii) and 2(b)(ii)** the business is mentioned in the question, so the application/example must be from the data given. Future papers are likely to utilise both command words and candidates should be given plenty of opportunity to practice both skills.
- Candidates must answer the question they are given. Although this seems obvious, relatively few candidates wrote about concerns the factory manager might have for **question 2(d)**, often just giving generic concerns that any manager might have. Likewise, on **question 1(b)(ii)**, many candidates gave a paragraph or sometimes more defining labour turnover, but not explaining a disadvantage of high labour turnover.
- **Questions 1(c), 1(d), 2(c) and 2(d)** require the skill of analysis, either as the top skill (**questions 1(c) and 2(c)**) or as a route to full marks (**questions 1(d) and 2(d)**). Good analysis requires a candidate to do a number of things. First is to understand what analysis actually is; the effect, reaction or consequence of something. For example, in **question 1(c)** it is the effect of an economy of scale. Secondly, the focus of that effect must be identified. In **question 1(c)** this is JS. Thirdly the effect must be put into context. So for JS the effect is unlikely to be on their profit as it is a public sector business, so probably on its ability to offer a good service. Lastly is to work out the 'chain' that will go from the economy of scale to the affect on JS's ability to offer a service. For example, a managerial economy of scale would mean that JS can afford to employ the best managers, which may lead to them having better leadership, which may lead to less employees leaving the business, which may lead to lower labour turnover, which may lead to lower recruitment costs, which may lead to more money being spent on customer service, which may mean that JS can provide a better service to the public.

General comments

The two pieces of data, Job Shop (JS) and Too Tasty (TT), gave candidates different context upon which to base their knowledge, analysis and evaluation.

JS is a public sector business, which is unlikely to have the same profit motive as a private sector business. This gave good candidates an opportunity to show their application within their analysis and evaluation, by making sure that their chains of analysis were about providing a service to the greatest number of residents of country X as possible. For example, in **question 1(d)**, where candidates needed to recommend a way to improve motivation, strong responses usually spoke of the improvements to customer service and how a motivated worker could provide more job opportunities, better chance of matching jobs to the unemployed and how this could help JS achieve its mission.

In contrast, TT is a private sector business, with the most likely objectives may be profit and expansion. Therefore, in answering **question 2(c)**, strong responses usually analysed how the market research could enable TT to achieve these objectives, or why the methods may be unsuitable because they could hinder achievement of these objectives (for example primary research is usually expensive).

Comments on specific questions

Question 1

(a)(i) Questions about the public section invariably solicit responses where candidates mix up a public limited company with the public sector. A simple definition was all that was required for full marks and many candidates identified that public sector businesses are owned and/or controlled by the government or state. Some candidates felt it necessary to write much more than this. Whilst this never negatively affects a candidate's answer, it can waste time that could be used later in the examination.

(a)(ii) To fully explain the relationship, candidates needed to have a good understanding of what business objective is and what a mission statement is. There are many ways to explain the relationship, but the most common approach was to explain that objectives helped the business towards meeting its mission statement.

Some candidates struggled with distinguishing between objectives and mission statements which made explaining the relationship difficult.

(b)(i) There were three departments' data to integrate in order to fully answer this question. Candidates often knew the formula but only applied it to one department. As long as the working was clear this could be rewarded with up to 2 marks. Sadly, some candidates did not set out their working and this meant that an incorrect answer could not be rewarded for the processes which were correct using a candidate's own figures. It is essential that candidates set out their working to numerical questions so that the examiner can follow their thinking and reward whatever is correct.

(b)(ii) Too many candidates wasted time defining labour turnover, when this was not what the question asked for. In this case the basis of the knowledge required was a disadvantage of high labour turnover. This then had to be applied to JS.

The most common answer was that JS would have increased recruitment costs from a high labour turnover. However relatively few candidates went on to apply this to the context of JS. Whenever a question specifically refers to the name of the business, a stakeholder or a piece of data, the answer must be applied to that to get full marks. So, for example, increased recruitment costs might be a particularly big problem for JS because of limited government funding, would be a good piece of application and likely to access full marks. No matter how in depth the explanation is, without application to the context it cannot gain more than 2 marks.

(c) Economies and diseconomies of scale were more difficult pieces of business theory for some candidates. However, those who could identify an economy of scale and diseconomy of scale were often able to apply their knowledge to the context of JS.

The most common misunderstanding was with candidates who thought 'economies of scale' were to do with the economy, GDP and other economic influences on a business.

Candidates were expected to either know the 'name' of an economy of scale or be able to explain the nature of the economy of scale in detail. For example, 'bulk buying' is not an economy of scale; it is part of an explanation of how purchasing economies of scale can benefit a business. This was the most common economy of scale chosen despite the context not giving candidates an obvious contextual way of applying this to JS. The most obvious economy of scale to apply was managerial, since the employees are skilled and JS is obviously large enough to be able to choose the best managers to employ.

Some candidates thought diseconomies of scale were the opposite of economies of scale (i.e. the increase in unit costs when a business gets smaller). However candidates who recognised that diseconomies of scale are about unit cost increases as the business grows beyond its optimal size usually chose communication problems as being the most likely diseconomy because of the spread of JS across the whole country.

Candidates must look to the context given to help them decide which the most obvious pieces of theory to apply are. They can then be rewarded with good analysis marks as opposed to limited analysis marks given for non-contextual answers.

- (d) Motivation questions always result in candidates spending a great deal of time outlining motivational theories which they would like to use. Whilst a good understanding of theory can be useful, unless the question specifically refers to motivation theory, a full outline of a theorist is not needed. Diagrams of Maslow's hierarchy, paragraphs outlining Herzberg's theory and Taylorism, were often wasted as the candidate had already been rewarded knowledge marks for simply showing that they know what motivation is.

Good responses quickly went to applying their understanding of motivation to JS employees and using the pie chart in Fig 1.2 to understand what the issues might be. For candidates who took this approach, the issues suggested suitable motivation methods, such as increased pay (30% complained about poor pay), better leadership (25% complained about poor leadership) and a more interesting job (25% complained about the job being boring).

Recommendations must be based on good arguments. In most cases this requires candidates to analyse one or more motivation methods before coming to a recommendation. This could be achieved by analysing what is potentially good and bad of one method or by analysing the strengths of more than one method and comparing the two as the most suitable method for JS. These approaches will always be a good way to maximise marks in 'recommend' questions and provide enough opportunities for analysis and evaluation, without wasting time on trying to make too many arguments.

Question 2

- (a)(i) Cash flow was a generally well understood term and most candidates could identify that it involves cash inflows and cash outflows in a business. Where candidates sometimes only gained one mark, it was by only recognising that the cash flowed one way (either in or out).
- (a)(ii) Again brand was a well understood term and most candidates knew that this could be associated with a product, or a name, or an image that distinguishes one product or service from another.

With three mark 'explain' questions that do not require context (if a question does not refer to the business or a stakeholder context is never required) it is important for candidates to do more than just a simple definition. This is usually the basis of the third mark and it is most easily gained by using an example. However, using TT as an example would not be appropriate because the data states that 'TT is a brand' so using this example is not showing any understanding because it is just repeating the data. Any relevant example outside of the data that shows understanding will be credited, for example the name of 'Coca-Cola' or the golden arches of McDonald's show that a candidate really knows what a brand is.

- (b)(i) Price elasticity of demand (PED) questions always cause a number of issues for candidates. The most common of which is when candidates invert the formula and come to the wrong answer. As long as working has been shown, these answers can still be credited for the steps that have been correctly followed.

This calculation required a good understanding of PED because candidates needed to 'reverse' the calculation to find the change in sales when given the price change and the PED. It was obvious that some candidates has learned how to do a simple PED calculation, but then had little idea of how to apply the formula in a slightly different way. Centres should be encouraged to practice calculations in as many different ways as possible, so that candidates are well prepared to use them in different ways as the data requires.

- (b)(ii) This question follows on from the previous question and asks candidates to apply their knowledge of the PED calculations to TT. Candidates should have been aware of the need to apply their knowledge to the business because it was stated in the question (i.e. '... useful to TT'). Therefore, context was required to gain all 3 marks in their question.

Good responses often identified that TT could use the data in Table 2.1 to see which products prices could be raised (beetroot and parsnip) because they are inelastic and which could be lowered (carrot and potato) because they are elastic.

- (c) Candidates could generally identify one primary and one secondary market research method but many could not contextualise these to TT. The most common methods of primary market research were questionnaires and surveys. Candidates who applied these to TT often mentioned the target market who could be asked, such as parents.

Applying secondary research sources to TT proved to be more difficult, especially if candidates identified sources such as competitor's sales data and the internet, as there is no mention of these in the data. However, if candidates chose a secondary source, such as trade magazines focussing on healthy snacks, or demographic data about the number of parents in the area, then this was possible to contextualise easily.

- (d) This was a relatively poorly done question; not because candidates did not understand the question, but because candidates were not specific enough in their responses. The wording of the question was specific about the concerns the factory manager might have about the joint venture. Therefore the analysis and evaluation needed to be about the factory, not generically about the joint venture. This meant that candidates needed to identify operational issues (production, quality, flow production, the flavours produced, capacity of the factory, for example) and then analyse these as concerns about the joint venture. Many candidates were not specific enough about the issues and this left the answer gaining a maximum of 4 marks. Those candidates who did go on to analyse two operational concerns and turn these into arguments could easily contextualise these and often provided good arguments about the benefits and costs to TT.

When the command word 'evaluate' is used, it obviously requires evaluation to gain all of the marks. In this case there are many routes into evaluation, but perhaps the easiest route is to argue about two concerns the factory manager might have, analysing each arguments effects on TT (using a chain of analysis) and then weighing up which concern the factory manager should be most concerned about.

BUSINESS

Paper 9609/32
Case Study

Key messages

- Define key terms.
- Include units for numerical answers.
- Focus on the specifics of the question set.
- Understand strategic management techniques and how they guide strategic decision making.

General comments

Candidates demonstrated knowledge of core concepts but there were areas of the syllabus for which understanding was incomplete, such as time series analysis and quality assurance. Candidates typically show working for numerical questions and thus even when there are errors often access marks. Most candidates make effective reference to previous answers in multi-part questions. The skill of evaluation is least developed in the majority of answers and should be demonstrated where possible throughout an answer.

In Section B, there is still some confusion about the different elements of strategic management. Candidates should be able to distinguish between strategic analysis and strategic choice techniques.

Comments on specific questions

Section A

Question 1

This was a difficult question as many students did not demonstrate knowledge of Quality Assurance. Weaker responses confused Quality Assurance with Quality Control and thus referred to the role of quality inspectors checking quality either during or at end of the production process. This demonstrated a fundamental misunderstanding of the concept and so these candidates were unable to access marks. Other candidates did not define the key term and only referred to the benefits of improving quality in general terms. Without demonstrating understanding of the key term, candidates were unable to access marks.

The majority of students were able to demonstrate sufficient understanding of QA to access the mark scheme and then identify relevant benefits such as improved reputation and overcoming the negative effects of the bacteria incident. Most were then able to follow this up with analysis on how this impacted the company in terms of sales and profit. Overall, the benefits of quality in general seemed well understood.

A few candidates referred to the effect on employee motivation of having responsibility for quality. However, opportunities for developing analysis were missed by not linking improved motivation to the effect on productivity and therefore unit costs of production. Candidates should remember that questions are typically focused on how decisions impact the business.

Many candidates were able to earn full application marks for effective use of case material on the food poisoning incident, the crucial importance of quality for a firm operating in the food industry and the previous good reputation of SWF.

As in previous years, candidates frequently devoted time and effort to including unnecessary knowledge and analysis by offering chains of reasoning not related to the specific question. For this question there was no

need to comment on the drawbacks of introducing a quality assurance system as marks could only be awarded for consideration of the benefits of a quality assurance system.

Question 2

Many candidates gained full marks on this question with accurate calculations of accounting rate of return and net present value. It is important to state the formula being used, so as to access marks for the own figure rule. Units are also important and should be stated in all numerical questions.

- (a) (i) Many candidates understood how to calculate the accounting rate of return. However, a significant number of answers did not give their answer as a percentage figure. A Level candidates are expected to appreciate the importance, not only of, accurate calculation, but also of using the correct units of measurement. Common errors included not calculating the annual profit or not subtracting the capital cost from the net cash flows.
- (ii) Most candidates understood that the discount factors were to be used to multiply the net cash flows and gained at least one mark. Some candidates omitted the '\$' sign from their answer and thus gained two of the three marks available. Some candidates did not subtract the capital cost.
- (b) Candidates developed application by demonstrating an understanding of the relevance of their answers from **Question 2(a)**. A few candidates made effective use of the case material by, for example, observing that other farms were at a disadvantage because they lacked the scale to use automated milking machinery or by using other investment appraisal techniques such as payback or discounted payback. Others made good links to the possible impact of automation on quality. Analysis was often demonstrated in relation to the cost savings offered through automation due to increased productivity and how that could translate to lower prices or higher profit margins. Better candidates gave a balance of argument and outlined both advantages and disadvantages of automation. It was common to reflect on the possible impact on SWF of making 100 farm workers redundant and links were occasionally made to the damage already done to SWF's image by the infected milk. However, weaker candidates analysed at length the impact of redundancy on workers rather than on the business.

Evaluation was often evident but only limited in nature. The best candidates gave a clear weighting of factors identifying that pricing might be more important to consumers than protecting workers' jobs. A few candidates misread the case material and argued that SWF was too small to use automation when in fact it was other farms that were too small.

Question 3

Most candidates showed a good understanding of the external environment and picked out relevant facts and data from the case study to answer this question. Very few students achieved zero marks on this question, showing it was accessible to all abilities. Occasionally, some candidates did just lift information from the case study but offered no interpretation of the data and thus demonstrated no understanding.

The majority of students did not categorise the external factors they were discussing, for example saying a fall in birth rate was a social impact. This would have demonstrated a better understanding of factors that are included in the external environment and those students who achieved the highest marks did tend to add this in to their answer.

In better answers candidates developed analysis on their understanding of how changes in the external environment would affect SWF. For example, saying why a fall in birth rate would lead to lower profits, or how the impact of feed cost might affect the selling price or profit margin. Weaker answers tended to jump straight to the impact on profit. Some effective applied answers linked the fall in the birth rate to a decreasing population of school students and therefore less sales for SWF through their government contract. Higher ability candidates introduced evaluation by considering that as milk was targeted at all age groups the impact of a falling birth rate might not be that significant, especially as milk sales were forecast to fall at a slower rate in the future. Weaker responses only made reference to the fact that milk's main target market was children and therefore the sales would fall as there are fewer children.

A key misunderstanding was that many candidates describe d cheese and butter sales as decreasing. This was incorrect and resulted in inaccurate contextual analysis. Students should have identified they cheese and butter sales were increasing, but at a slower rate. Again, higher ability students who went on to achieve nearly full marks did successful identify this.

There was confusion regarding the impact of exchange rate changes with many candidates arguing that the appreciation of the exchange rate would boost SWF profits in country P. Stronger answers correctly observed that appreciation would make it more difficult for SWF to sell their milk in country P. The best answers gave balance to their analysis by considering how the appreciation could benefit SWF if they imported their raw materials instead, especially if their feed costs were lower than that of Country Q.

Question 4

As in previous sessions application of time series analysis proved challenging for the majority of candidates. In particular calculating the centred quarterly moving average for quarter 3 in 2018 and SWF's forecast sales for quarter 3 in 2019 proved difficult.

- (a) (i) Very few candidates understood how to calculate a centred quarterly moving average. Many were able to gain a mark for a quarterly moving average by dividing the four period moving total by four to either obtain 36 250 litres or 36 750 litres. A very small number of candidates correctly summed the two relevant four period moving totals and divided by eight to give an answer of 36 500 litres.
- (ii) Nearly all candidates gained full marks for this question. There was a good understanding of how to calculate seasonal variation.
- (b) This discriminated effectively between candidates. Most candidates made some relevant attempt at the question by using the line of best fit on the graph to estimate sales for quarter 3 in 2019. However, relatively few candidates understood that average seasonal variation should be added to the trend figure. Some candidates calculated the forecast but omitted '000s of litres from their answer so gained only two of the three marks available.
- (c) Most candidates understood that a sales forecast was a prediction of future sales. Candidates often gave detailed explanation of the process of sales forecasting. However, many did little more than that and were thus limited to marks for knowledge. Some candidates discussed the usefulness of sales forecasting in very general terms referencing target setting, measuring success and motivating workers. However, only better candidates focused on marketing and operational decisions. Application was shown through use of the data in Table 1 observing that ice cream sales are seasonal or that there was an upward trend in sales. A few candidates connected the trend to enabling operational decisions such as the purchase of animal feed and herd size required to meet forecast sales. Analysis was developed in some answers by commenting on how forecasting would enable an efficient use of labour and help control costs and therefore ensure profitability.

Most candidates who understood what a sales forecast was were able to show basic evaluation through observing that forecasts could prove unreliable due to external factors especially as time series analysis relies on past data.

Question 5

Candidates generally took the approach of defining the term 'organisational structure'. Candidates obtained knowledge marks for this as well as demonstrating understanding of appropriate features of organisational structures including, for example, centralised structure, tall structure, channels of communication and chain of command. Some weaker candidates took the approach of simply restating the issues with the current structure without using these to inform their answer. Other candidates analysed the current problems without suggesting an alternative structure. Some candidates wasted time just describing the current problems. A small minority of candidates did not demonstrate understanding of the current structure and proposed changes that were features of the existing structure.

Candidates that did use the information from the case study to inform their answer focused mainly on the communication and coordination issues between departments and the delay in launching a new product. These references informed reasoning for changing structure, in particular, to a matrix structure. The matrix structure and a flatter (delayed) hierarchical structure were popular and appropriate suggestions for an alternative organisational structure.

Many candidates did not focus or connect their response sufficiently or at all to changing structure 'during periods of growth' which inevitably limited chances of scoring as well in terms of analysis and evaluation. Typically, candidates scored relatively low marks in terms of evaluation. Evaluation marks were mainly awarded for a judgement as to which organisational structure should be adopted, often supported by a simple reason. Some candidates went through the process of describing and analysing different structures

without making a final recommendation, or only offered simple assertions such as ‘the structure should change’. Better candidates considered sequencing the changes that could be made, but this still often limited candidates to achieving L1 evaluation.

Some candidates confused delegation and leadership styles as part of organisational structure. Both of which are not organisational structures, but instead are wider considerations that could have formed an evaluative line of analysis.

Section B

Question 6

The focus of this question was to examine the uses and appropriateness of strategic analysis techniques in guiding strategic decisions. Many candidates did not realise this. Thus, they explained all the techniques in great theoretical detail with minimal analysis and only illustrative application. Most candidates could apply the techniques inasmuch as they could show examples from the two alternative schemes, but they did not emphasise how the techniques helped decision-making. Often they wrote at length about the two alternatives and then recommended one (a common error in this sort of question, which earned only NAQ). Candidates ended-up doing SWOT and PEST analyses of both projects rather than analysing how it would help decision-making.

The techniques themselves were well-known, though Ansoff’s Matrix appeared too often, as did Force Field Analysis. The limitations of the techniques were well-known, especially when used in isolation and in changing economic circumstances. Indeed, the points in the mark scheme under ‘evaluation’ were seen in many answers and earned sound marks. The main weaknesses were in analysis (how are these techniques helpful to this business at this time?) and in getting bogged-down either in long expositions of theory (especially the Boston Matrix) or in discussing the two plans in great detail before choosing the better one and thus losing sight of the question. Considering a question on strategy is expected, many candidates were well-prepared but got carried away in showing their knowledge rather than answering the question in context.

Question 7

This question was answered by a very small percentage of the candidates. In contrast to previous years when contingency planning has been tested, most candidates did show a basic understanding of what contingency planning actually was and did not just write about planning in general. Many candidates understood the concept of a Plan B and many wrote about the potential impact of natural disasters or fires. Examples of good knowledge included: ‘planning put in place for a firm in case of unexpected events at the firm, finance and resources set aside’. ‘to avoid any issue that will impact the brand image’. ‘reduce the insurance cost’. ‘sudden calamities are not in the hands of businesses and cannot be accurately interpreted by businesses.’

Candidates developed application most effectively through reference to the milk contamination. Some candidates did little more than repeat what was in the text. Very few made the link between this and how contingency planning could have helped the firm if it had been in place. Better answers developed analysis of the consequences of the lack of contingency planning in terms of the muddled response of SWF to the crisis and how this would impact their reputation and long-term sales. Other application used included reference to the introduction of the automated machinery and the plans for expansion. However, many candidates found it difficult to develop application as these hooks were missed.

Most candidates gained full marks for knowledge and at least 1 application mark for making reference to the contamination of milk. Candidates often identified the costs of contingency planning as the time taken to create a plan and observed that resources would likely be wasted as the crisis might never happen. Evaluation of why contingency planning was a good thing centred mainly on the motivation of employees and confidence of shareholders and other investors. Candidates were able to gain a good mark by discussing the role of contingency planning within business plans as a means for SWF to prepare for and avoid crises.