

Business management

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Grade boundaries

Higher level overall

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 13	14 - 27	28 - 37	38 - 48	49 - 57	58 - 67	68 - 100

Standard level overall

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 10	11 - 22	23 - 31	32 - 43	44 - 56	57 - 67	68 - 100

Higher level internal assessment

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 3	4 - 6	7 - 9	10 - 12	13 - 14	15 - 17	18 - 25

Standard level internal assessment

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 3	4 - 6	7 - 9	10 - 12	13 - 16	17 - 19	20 - 25

Higher level paper one

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 9	10 - 19	20 - 24	25 - 30	31 - 35	36 - 41	42 - 60

Standard level paper one

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 4	5 - 9	10 - 14	15 - 18	19 - 23	24 - 27	28 - 40

Higher level paper two

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 9	10 - 18	19 - 25	26 - 32	33 - 39	40 - 46	47 - 70

Standard level paper two

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 5	6 - 10	11 - 13	14 - 19	20 - 25	26 - 31	32 - 50

Higher level internal assessment

The range and suitability of the work submitted

Performance against the assessment criterion has steadily improved over recent sessions. However, candidates, and indeed entire centres, are still losing unnecessary marks despite major issues and concerns being identified and addressed in all previous session reports. The same weaknesses appear year on year, which is frustrating for moderators who consistently report these each session. The most problematic criteria remain B, H and I, where candidates lost marks for reasons that could have been easily rectified and avoided. Most importantly, many centres did not appear to recognise the amendments made to the programme guide for first assessment this session, although these were communicated on MyIB and in coordinator notes. The appropriate guide, that should have been used for student preparation and moderation, contains the statement that the guide had been 'Updated May 2017'. The failure to use the correct guide led to additional loss of marks for criterion F, where it is now compulsory for a student to identify further study to be awarded the available two marks.

Unlike the extended essay and the internal assessment, the HLIA is essentially a primary data focussed investigation, although secondary data can be used to provide context and to support primary findings. The quality and nature of the primary data collected is, therefore, paramount to candidate performance. It does appear that insufficient thought is given by many candidates to the development of questionnaires and surveys and to the nature of sample size and sample frames. This is disappointing given that market research is also part of the syllabus in unit 4.4 – market research. In addition, it is not uncommon for candidates to collect some primary data, but then to rely almost solely on secondary data sources. The function of the higher-level internal assessment is to encourage candidates to apply business tools, techniques and theories to real organizations based on primary data gathering. The assessment criteria are written overtly to reward the collection and application of primary, not secondary data, although secondary research contributes to aspects of assessment, such as analysis and evaluation. The criteria in the most recently edited guide makes this requirement more overt.

As was the case in the November 2018 session, exceeding the word limit for the main body of report was uncommon, but some candidates again met the word count restrictions by placing substantial analysis and key findings only in the appendices, which is not acceptable. As this was evident across some centres and not others, it appears that teacher advice might be at fault.

Placing tools, techniques, analysis and evaluation in the appendices is regarded on moderation as an attempt to avoid the word count restrictions and the information in the appendices is ignored – potentially affecting criterion B and C, and potentially D, E and F if analysis, evaluation and conclusions and recommendations are based on this information. Only the information in the main body counts towards the overall assessment. The appendices are designed to provide additional supporting materials and has been said in many previous reports, there is no obligation on moderators to read the appendices or reward any of the content there. Any content in the appendices, such as primary research, must be referenced in the main body of the report for it to have any value.

However, a positive trend over the last couple of years has been the improvements in the research proposal and action plan. Only a very small minority of candidates fail to include an action plan within their research proposal, but a mark is still being lost when required sections are absent or insufficient in coverage and where there is a lack of clarity and detail in the methodology and rationale.

The research question is crucial, as it provides the focus for all that happens in the research and writing phase. Research questions that are broad and not focused on a clear business function impact negatively on the report. The major consequence of poor research questions is that candidates find it difficult to address the selected topic adequately within the word limit, leading to generalisation and poorly structured analysis and evaluation. At the opposite end of the spectrum, narrow questions not worthy of investigation at all should really be rejected or amended before the research begins, under advice from supervisors. For example, it is obvious that opening new branches will result in increases in sales revenues. What is of importance in these situations is the impact on other aspects, such as profit, profit margins and market share, and research questions should address these factors not the increase in revenue alone.

Although there are no restrictions on the nature of the firms that are subject to investigation, it is generally the case that those reports focused on large multinationals often had problems with the collection of data, and confidentiality issues. In addition, the sheer size of the organizations meant that conclusions and recommendations lacked evidence and were far too general. Those candidates who had selected smaller organizations tended to produce tighter reports with better evidence, as well as having some potential practical applications for the firms concerned. Smaller firms often offer the opportunity for more impromptu visits if new data or clarification of issues is required.

The selection and application of business tools, techniques and theories remains a major issue; this session continued the overuse, and inaccurate application, of SWOT, PEST and force field analysis. It is difficult to know how this trend can be reversed as these session reports continue to highlight the problem. SWOT is not a difficult tool in nature, but the fact that students frequently misuse, and misunderstand the technique is worrying. As has been said before, it appears that candidates are being told by centres they should use all of these tools, irrespective of their importance and relevance to the research question and where there are far more relevant financial and costing tools available. Although these three techniques have value, they are not compulsory, and their misuse reduces the marks awarded for several assessment criteria. Most HLIA investigations would better and more effectively supported using financial, decision-making and costing tools, such as investment appraisal, ratios, financial accounts, cash flow, budgets, and decision trees providing some hard data to support evaluation and judgments.

In this session, as in previous sessions, what made the overuse of SWOT and PEST and force field analysis worse was that these techniques were rarely used to support each other, but presented as discrete elements. In addition, the information included in both was frequently lacking citation and with little or no data presented to justify the subsequent analysis and evaluation. SWOTs were frequently simply the opinion of the candidate. Entries were commonly placed in incorrect segments in both SWOT and PEST and the weights in force field analysis were often unsubstantiated or even missing. Candidates then went on to justify recommendations using their own subjective and unsupported findings. Beyond SWOT and PEST analysis, a lack of citation and accurate referencing of data in reports remains a significant issue for many centres reducing the academic quality of the final documents presented for moderation.

Inevitably, the necessary focus on weaknesses in session reports tends to underplay the success of the majority of candidates and centres that use the Business management guide effectively and offer advice to candidates based on recommendations in these session reports. Moderators do also highlight the impressive and professional nature of the reports they see. There were many internal assessments that showed excellent research approaches and techniques, the accurate application of relevant business terminology, tools and theories and exhibited mature critical thinking and business skills.

Centre moderation sheets can be very helpful and are encouraged to highlight the reasons for the award of marks across the assessment criteria. When moderating HLIA's, care should be taken to pay regard to the instructions in the Business Management guide:

- The level descriptors concentrate on positive achievement, although for the lower levels failure to achieve may be included in the description.
- The aim is to find, for each criterion, the descriptor that conveys most accurately the level attained by the student, using the best-fit model. A best-fit approach means that compensation should be made when a piece of work matches different aspects of a criterion at different levels. The mark awarded should be one that most fairly reflects the balance of achievement against the criterion. It is not necessary for every single aspect of a level descriptor to be met for that mark to be awarded.
- The highest-level descriptors do not imply faultless performance.

Candidate performance against each criterion

Criterion A: Research proposal

This criterion assesses the extent to which the student presents a research proposal that gives an effective direction for the project, with all the required elements. The elements to be covered are shown on page 80 and 81 of the business management guide. There is no requirement to explain the choice of areas of the syllabus, although these should relate to the research question and rationale. For 3 marks, the research proposal needs to be appropriate, detailed, clear and focused. 2 marks are awarded where the research proposal is generally appropriate, but some elements lack clarity, detail and focus, or one element is missing. As in the November 2018 session, some centres were harsh on the awarding of marks for this criterion by giving 1 mark, even though no elements were missing, and/or the proposal was mostly appropriate, showing a misunderstanding of the mark band criteria.

The research proposal is separate from the main report, and should be placed before it, because it is the primary planning document, not part of the investigation. It is a very important document in that it focuses on the reason for the investigation, the theoretical framework and the research methodology. Candidates are losing an unnecessary mark because far too many HLIA's integrated the research proposal into the main body of the report, and some used an incorrect past tense throughout as the student failed to distinguish this from the executive summary (and vice versa).

All the reasons for losing marks are consistent with previous session reports and are recognised for the most part by teachers, who also correctly reduced marks as a result of deficiencies. However, the framing of the research question is more under the control of the centre and the supervisor from the start of the process. It is to be recommended that more time is spent on this stage with teachers offering clear advice on whether certain investigations will be appropriate and manageable and whether amendments should be made. The selection of a focused research question, clearly rooted in a business function, is crucial to the effectiveness of the primary research undertaken by candidates. The highest marks this session, were awarded when research questions were forward-looking and sufficiently focused to drive subsequent research and to narrow the project down to an investigation that was manageable within the recommended time allowance. Most research questions were indeed suitable in that they covered relevant topics worthy of research, and this is an area of improvement over the last few years. However, a significant minority of questions still lacked a clear focus or failed to link directly to a specific business function, measurable outcome or time period. As a result, these reports tended to description, superficial analysis and generalised conclusions.

Research projects and action plans most commonly achieved two or three marks with most candidates including the required elements, although proposals were not always detailed, clear and focused. There were several reasons for candidates losing marks. Some rationales were personal, rather than business related; a personal interest, family business or career choice is not a rationale for the investigation in the context of the HLIA, although they may support the desire to research the selected business and the topic choice. Some rationales did not relate to the research question except in a broad sense. In addition, rationales rarely explained the context using data to justify the investigation and very few cited any data presented, such as falling sales revenue and/or profits. For example, candidates frequently referred to problems, but did not place the business in the context of their markets or in relation to competitors or industry averages. In addition, it was not always clear whether the reason for the investigation was suggested by the firm or the candidate. This was important, because in some cases the student concluded that the firm did not intend to pursue their recommendations, which was not surprising given that the firm in reality, never considered these options. This raised the question of appropriateness, because there appeared to be little reason for the investigation in the first place.

The guide is explicit in asking candidates to identify possible sources of information, including the organizations and individuals to be approached. The research proposal should also include the methods to be used to collect and analyse data, and the reason for choosing them. In some cases, candidates failed to explain their choice of research methods or the reasons for approaching certain individuals or groups.

Anticipated difficulties of the research were generally addressed, although in some cases these were unrealistic and simply added to satisfy the criterion requirement. Although not specifically rewarded by the assessment criterion, candidates who performed well, not only identified potential research problems, but also suggested some sensible solutions through careful planning. Weaker reports identified anticipated problems that were the result of the student's poor research or time management, which could have been corrected by the candidate approaching the task in a business-like manner.

It was clear that many candidates used their action plans as a primary planning document and many used Gantt charts to identify their progress, which reduced the words in the action plan making it easier to remain within the word count. Some candidates exceeded the 500-word limit, because they did not include the words within their action plan 'table' in the research proposal total, but this was less evident than in previous sessions.

Criterion B: Sources and data

This criterion assesses the extent to which the student selects primary sources and collects data which address an issue or a decision to be made by an organization or a range of organizations in appropriate depth and breadth. The HLIA is an investigation using primary research, which distinguishes it from the more academic process of writing an extended essay in Business Management where the main focus is secondary research. However, the purpose of the HLIA is to offer a suitable vehicle for candidates to apply the theory learned in the classroom to a real-life situation by working with an organization and gathering research data to support a business investigation of a problem or decision.

It is important, therefore, in the moderation process, for teachers to recognise that criterion B in the present guide specifically assesses and rewards primary data, although secondary data will contribute to other criteria, such as analysis and evaluation and recommendations. Secondary data should be used to establish the context of the investigation and the rationale for the research study. The adjusted criterion in the guide as we move forwards, makes this point more specific. The preamble to section B is now even clearer on this point:

This criterion assesses the extent to which the student selects primary sources and collects primary data which address an issue or a decision to be made by an organization or a range of organizations in appropriate depth and breadth.

To achieve the highest mark band, the student must select primary sources data that are appropriate, varied and sufficient. In most cases, this means going beyond the partial views of the owners, or managers of the business. Too often students relied on the partial views on owners alone, rather than seeking out validation or alternative viewpoints.

A single primary source is considered to lack sufficiency and, as a result, a maximum of 1 can be rewarded. There are no set number of sources. In most cases, students collected 2 or 3 sources. 2 sources were sometimes appropriate, varied and sufficient where they had depth and substance, although 3 sources offered broader evidence of the highest mark level. Where there were more additional sources it added greater validity in most cases, but sometimes the selected sources were inappropriate (e.g. customer reviews on social media) and questions posed on surveys were poor and irrelevant to the research question, leading to the award of only two marks. One mark was sometimes awarded when there was more than one source, but these sources were not appropriate, because those asked were not really qualified to answer the question and/or the data gathered was so minimal as to be totally insignificant in answering the research question. It was quite common for candidates to ask friends at school to answer a questionnaire, for example, but in most cases the data gathered lacked relevance and significance to the research question.

There has been an unfortunate trend, over several sessions for candidates to collect appropriate primary data presented in the appendices, but then not to reference this data in the main body. This was also the case this session, although less so in the November 2018 session. This was ill-advised, because analytical tools, such as SWOT PEST and Force Field Analysis were subsequently based on this primary research. However, because there was no direct link between the analysis and the research data, findings in the main body were then considered to be 'unsubstantiated'. Indeed, in general, there were too many reports with inadequate referencing and citation.

A weakness of many surveys and interviews conducted by candidates, was that the questions and answers did not always relate directly to the research question and the issue of potential bias was rarely addressed. As a result, presentation of the responses was not completely relevant or employed in the analysis and evaluation section. The selection of samples was poorly covered, with little time spent on sample sizes and frames. Candidates continue to misunderstand the term 'random sample', applying this when they just asked the first few people they found in a location. Again, given that this is part of the syllabus requirements, it is very disappointing. There was also no evidence presented that any questionnaires had been trialled first, before being conducted.

As is the case in all primary investigations, the better reports were written by candidates who gathered data from a range of credible and reliable primary sources that offered trustworthy and valid data to support their conclusions and recommendations.

Criterion C: Use of tools, techniques and theories

This criterion assesses the extent to which the student understands and applies relevant business management tools, techniques and theories to provide an insight into the situation under investigation. For 3 marks to be awarded, there needed to be a good understanding of relevant business management tools, techniques and theories, which were then skilfully applied. This required the candidate to show firstly an understanding of the tools, techniques and theories they applied and then to use appropriate

tools to collate and classify the data they had collected. Finally, the candidate needed to use the results to address the research question.

The HLIA is an academic, as well as a practical exercise, and is designed to show that candidates understand what they are taught in the classroom and can then apply business tools, techniques and theories to a real-life situation through the selection of an appropriate research question. The main purpose is not simply to solve a problem or to offer valuable recommendations to firms, although these are very welcome and beneficial when they occur. Just writing a practical report, without the underpinnings of an academic investigation leads to relatively low marks; this was the situation for a minority of reports in this session. Overly practical reports that addressed a business problem, did not provide the scope for candidates to show evidence of academic understanding, nor allowed for the application of business tools, techniques and theories.

It cannot be overstated that only tools, techniques and tools in the main body can be rewarded, it is not enough just to reference tools, techniques and theories placed in the appendices as this circumvents the word count. If the candidate has some discussion in the main body related to the appendix materials, this can be rewarded. As in many recent sessions, it appears that some centres are still advising students to place much of their analysis in the appendices, which is resulting in a significant reduction in student marks during the moderation process.

As mentioned in the introduction, SWOT analysis was often inaccurately used with the most common error being the claim that a list of simple advantages and disadvantages of a strategy or choice, was in fact a SWOT analysis. This is not the case. A SWOT analysis is a situational analysis of the organization, not an analysis of a proposed strategy undertaken by that firm, although the SWOT itself may well underpin the development of such an approach. As a result of this inaccurate understanding of the purpose and construction of a SWOT analysis, candidates frequently placed entries in the incorrect segment (such as internal controllable factors in opportunities, rather than PEST factors). SWOTs often appeared to be 'made up' by the student without any evidence or citation. It is not acceptable for the student to prepare a SWOT from their 'experience' and/or observation alone; it also requires some hard, supporting evidence from reliable sources. Far too many candidates relied on their own SWOTs to support analysis and justify recommendations, even though their SWOT was not supported by reference to primary or secondary research. The consequence was that conclusions and recommendations could not be awarded full marks in these circumstances, because they were not 'substantiated'.

Examiners continued to report that candidates are relying far too much on poor SWOT and PEST analyses with Force Field Analysis rapidly becoming the additional tool of choice. It is frustrating that although every session report contains the following statements, the problems regarding SWOT is not diminishing.

Centres need to be advising candidates not to rely on a such as restricted and potentially inappropriate tool box and encouraging them to select tools that provide a firmer foundation for analysis and evaluation. As said in every session report, SWOT, PEST and Force Field Analysis are perfectly acceptable and useful business tools if used appropriately and accurately. However, there are a range of other tools, such as position maps, product life cycle, ratios, investment appraisal, cash flow, budgets, Ansoff's matrix, fishbone analysis, break-even, decision trees and sales forecasting which were underused and, in many cases, would have been better employed to support the investigation of the research questions asked. Although a number of candidates were successful in linking their sources and data to their theoretical framework, the failure to include quantitative tools and to bring costings into their reports reduced the credibility of analysis and evaluation leading to their conclusions and recommendations.

Criterion D: Analysis and evaluation

This criterion assesses the extent to which the candidate uses results and findings effectively in order to explain the issue or decision to be made and is able to integrate ideas coherently and the extent to which the student evaluate arguments to produce judgments that are well substantiated.

For this criterion, 'best fit' needed to be applied carefully. Having copious information and lots of discussion and tools did not mean that the candidate achieved the higher levels if much of the data collected was irrelevant. There are some distinct jumps from mark levels 3 to 5: Level 3 is the first achievement level to include some integration of ideas, but only satisfactory analysis and no evaluation. Level 4 only asks for some evidence of evaluation – this does need to have some supporting research, but it is likely to be brief, limited and unsubstantial in nature. A fairly low bar is set for evaluation. Level 5 asks for good analysis and a good integration of ideas and evidence of substantiated evaluation. Here the evaluation is clearly supported by the research findings, but is not consistent. Teachers need to think carefully as to the most appropriate level to be awarded, based on the wording for each level and the extent to which the requirements are met.

Reading through moderator reports this session highlighted a consistent problem with many reports, with candidates not showing the required skills of synthesis and critical thinking. Although, the higher scoring reports showed evidence of critical thinking based on the application of business tools and techniques to produce substantiated conclusions, many candidates merely described the information collected and already presented in the main results and findings section. Even when relevant business tools and techniques were used, 'analysis' tended to be little more than a description of the output of those tools and techniques, rather than a consideration of the significance of the output in relation to the research question and/or a combination of findings to produce a supported line of argument. As a consequence, 'analysis and evaluation' consisted of the output of a series of discrete tools that were not linked, making it difficult for candidates to reach the higher achievement levels.

Criterion E: Conclusions

Conclusions and recommendations are assessed separately. There was a significant change to the two criteria (E and F) this session and to the corresponding assessment criteria in the most recently edited guide. It was clear that a substantial number of centres were unaware of this change, although this was in coordinator notes, to be found on MyIB and identified in the last two session reports.

Previously, the conclusions criterion assessed the extent to which the candidate was able to draw relevant conclusions based on their analysis in the main body. To be rewarded with 2 marks, conclusions needed to be substantiated and consistent with the evidence presented in the main body of the report and areas for further study had been identified, if appropriate.

The requirement for identifying further study is now part of criterion F – recommendations.

Most reports had conclusions, so few were awarded a zero. Many candidates merged conclusions and recommendations into one section, sometimes making it difficult to distinguish the two and so reward each appropriately. The decision between an award of 1 or 2 marks was based on the descriptors in the guide. On a best fit basis, 1 mark was awarded if the conclusions were unsubstantiated in the main body and/or inconsistent.

The main reason for a loss of one mark for this criterion was the introduction of new information, and/or additional analysis and data in the conclusions section that had not been included in the main report. Candidates also reached conclusions that may have been common sense, but had not been substantiated in the main body. Conclusions did not always address the research question and indeed, it was not

uncommon for candidates to 'lose touch' with their initial proposals, rationale and research question and produce unrelated conclusions.

Criterion F: Recommendations

The recommendations criterion assesses the extent to which candidates made recommendations that were substantiated and consistent with the conclusions, and which answered the research question.

Level 2 requires the recommendations are substantiated and consistent with the conclusions, and they answer the research question. Areas for further study have been identified.

Therefore, the four questions that moderation addressed were:

- Did the recommendations answer the research question?
- Were they consistent with the conclusions?
- Were they substantiated?
- Have areas for further study been identified?

Recommendations were found in virtually all reports. However, in many cases, recommendations did not follow directly from conclusions, and did not always answer the research question directly. Indeed, it was clear that in a minority of reports, candidates had almost forgotten the research question they had posed at the start. As with some conclusions, not all recommendations were substantiated using research and/or analysis in the main body.

Decision between level 1 and level 2 were based on selecting the level that best reflected the performance of the student against the two-mark descriptor.

It was common for candidates to include new information unrelated to the main body and unsupported by any discussion. In this case, this reduced the award to one mark. In addition, only one mark was awarded, if 'findings' or tools in the main body were totally the candidate's 'opinion' or were not supported by research data or sourced, as recommendations were then unsubstantiated, being based purely on candidate assertion. Centres quite often awarded full marks in these cases.

It was rare for candidates to identify costs for their recommendations and consider whether these were viable for the organisations under investigation. Indeed, some recommendations were totally unrealistic, and beyond the financial or operational capabilities of the firm.

To achieve two marks under the latest updated guide, students must also identify areas for further study. This was not the case in many reports, so students were unable to achieve the higher mark band. Where included, further study recommendations should relate to the investigation and not be completely made up. So, if looking at the marketing of a product, a suggestion for further study relating to relocation is only relevant if the connection to the existing investigation is clear. Where this was not clear in reports, candidates were not rewarded for the suggestion.

Criterion G: Structure

The structure criterion assesses the extent to which candidates organize their ideas into a structured report with an argument that is easy to follow. For 2 marks, the structure needs to present an argument that is easy to follow. A single mark was awarded where the main body consisted of unrelated discrete elements, with no clear link or development of an argument.

Many candidates this session achieved the highest mark band by structuring their report effectively and appropriately.

Criterion H: Presentation (written report)

The presentation criterion assesses the extent to which candidates presented all the required components of the written report in the correct order and format. More centres this session complied with the required order and format laid down in the business management guide on pages 81 and 82 that states that 'The report must follow acceptable practice in report presentation, reflected in the required format for the written report shown below.

The written report must consist of the following sections. The sections and requirements that follow provide candidates with clear guidelines for the correct formatting and presentation of a business management report.

This order was applied strictly, with two marks only being awarded when all the sections were in the correct order. A reduction of one mark was applied to the omission of sections, such as acknowledgments, which must be present.

Many students also lost one mark for including the research proposal in the main report, rather than preceding it. A mark was also lost for any omission in the main report sections or misplacement. In addition, inadequate and poorly formatted executive summaries, incorrectly presented bibliographies or inadequate citation resulted in the loss of a mark. The necessary loss of a mark could have been prevented by checking against the guide instructions.

It is recognised that it is difficult for any student to provide a perfectly formatted report. As it is important that candidates are given the opportunity to access the highest mark level, there was some flexibility in the assessment of format. For example, if the executive summary contained a precis of the research question, this was deemed acceptable. However, if the executive summary did not include any of the three required elements and was very poor – e.g. incorrect tense making it another research proposal, this was often enough to reduce the award to one mark. A similar assessment was made of the bibliography. There could be minor mistakes, but a poor and consistently incorrectly presented bibliography also justified a reduction of one mark.

A very small minority of students scored zero marks for this criterion.

Criterion I: Reflective thinking (written report)

This criterion assesses the extent to which the candidate reflects critically on their own work by including appropriate evidence of reflective thinking on the approach taken in their research and its limitations. This reflection could take place in any part of the written report, but not in the research proposal. Most candidates who added reflection did so in the methodology section, or in the conclusions. Some students created a subsection for this reflection.

Many candidates reflected in general on the issues under investigation, but not necessarily on the approach taken in the research process and the limitations of this research. Centres often awarded marks where it was not evident that any had taken place, which indicates that some supervisors have not recognised that the reflection required is not simply a general reflection on the firm, its behaviour or the general activities and issues it faces. The required reflection is not an evaluation of the analysis undertaken.

Since this criterion has been frequently misinterpreted it was subject to a minor adjustment in the amended business management guide to make it more explicit that the reflection is on the student's research approach – how they gathered their data, not to award a generalised reflection throughout their report on aspects of theory, the business, the business decisions etc.

The pre-amble to criterion I now reads:

This criterion assesses the extent to which the student is able to reflect critically on the approach taken in this piece of research and its limitations.

Candidates often referred to small samples, biased responses etc. However, this needed to go beyond mere generalisation. To be rewarded at all, the student had to state the reason for potential bias, e.g. that bias was likely as the key source of research was the owner and was unlikely to criticise his or her own business. A general statement that the research might have been biased, or participants might have lied in their answers, was not enough for 1 mark unless specific reason were given.

Recommendations and guidance for the teaching of future candidates

Teachers should ensure that candidates:

- Have access to the assessment criteria before starting their project.
- Know the word counts for all sections of their reports, check that their projects are within the word limit and understand that moderators will not read beyond the word count limit.
- Do not include too many materials in the appendices and are aware that any tools and techniques purely placed in the appendices will not be assessed.
- Have a clear and focused research question that is achievable and forward-looking with a title that is neither too broad in scope nor over-ambitious.
- Review the research question at several stages during preparation to see if the investigation and title are still aligned. If not, they consider rewriting the title.
- Include a business rationale rather than a personal rationale for the investigation and present data to show the significance of an identified issue.
- Include a research proposal containing all the required components and show that they understand all IB requirements before beginning the written report (with particular emphasis on the inclusions of a detailed action plan).
- Keep the research proposal separate from the written report, follow IB required format and include a column for modifications in their action plan.
- Should follow IB guidelines for content pages, which should not include any reference to the research proposal and action plan.
- Should follow the IB requirements for format and order of sections as found in the business management guide.
- Identify and select appropriate primary sources, which are referenced and cited, with suitable links to information and summary tallies in the appendices.
- Collect primary data which is appropriate, varied and sufficient that will help answer the research question.
- Ensure that secondary data does not become the main focus for the investigation.
- Ensure that the main results and findings section includes only the main results and findings and tables, graphs and charts, where appropriate.
- Analyse and integrate their ideas in a logical and coherent manner, using a range of relevant and appropriate business tools, techniques and theories beyond PEST and SWOT.
- Who propose using PEST, SWOT and Force Field should also consider whether other business tools and techniques might be more effective to answer their research question.
- Use a variety of presentation techniques and statistical tools when they are analysing their data, with well-labelled, titled and properly sourced diagrams.

- Show adequate critical and reflective thinking throughout the report and not just in a few segments of the report and to combine tools, techniques and theories to support judgements.
- Provide limitations of their research including identifying further study in their recommendations to resolve any weaknesses identified.
- Provide full references and acknowledge all sources they have used to support their data.
- Identify the potential costs of recommended actions.
- Have the IA criteria at the beginning of the course which is clearly explained to them.
- Are encouraged to assess themselves with these criteria before they hand in their final drafts.
- Include executive summaries that are “summaries” of the report as a whole (in the past tense) and not just a repeat of the introduction and/or research proposal.
- Reflect on their approach to their research and limitations of this approach.
- Include in their appendices, comments from the supporting organisation on the completed assignment, as evidence that it was at least submitted to them.

Further comments

A key message from this session is that schools must ensure that they are using the correct, updated BM guide – Updated May 2017

Standard level internal assessment

The range and suitability of the work submitted

The report for this component is largely similar to that of May 2017 and May 2018, as the instructions, criteria and the range of students' results have not changed.

The SLIA is a written commentary which must be based on a single business organization. It may be appropriate to look at industry-wide issues and how they relate to the organization, but the primary focus must be a single business organization. The SLIA is an overall commentary of all the supporting documents and should not be written as a commentary on each separate document.

As noted in previous reports, the 1500 words limit is a tight one and it is important that candidates choose a well-focused issue. The range and breadth of the supporting documents must allow candidates to draw out relevant theory and apply it within this tight word limit, so the choice of these documents is very important.

As in previous years, moderators noted some occasional confusion as to the difference between a "research project" (HLIA) and a "commentary" (SLIA). The commentary does not require a forward-looking research question, nor a section called "methodology": it simply is a commentary on the way in which the supporting documents help to analyse a business issue or problem. As such, no action plan or setting out of methodology is required and there is no required structure either. While planning and structure are important, the structure will be dictated by the needs of the commentary rather than being prescribed.

Candidate performance against each criterion

The standard of the work submitted was generally encouraging and most centres applied the assessment criteria very well. It is advisable that candidates receive a copy of the criteria, as this can help them ensure that they meet the appropriate requirements for each criterion. Teachers may want to use an SLIA checklist adapted to their own requirements (e.g. internal deadline for submission).

Centres that showed with comments why the marks had been awarded for each criterion helped the work of the moderators significantly, as they could understand the reasoning behind each mark allocation.

Criterion A

In many ways, this is perhaps one of the most important criterion – not because of the number of marks offered, but because the choice of supporting documents can be a contributory factor towards several other criteria.

This link is particularly true with Criterion C (Choice and analysis of data and integration of ideas) but also to a lesser extent with criteria B, D and E. The correct choice of supporting documents will not only give candidates the highest marks for this criterion (when a range of ideas and views is evident) but will also set them up effectively for the rest of the commentary.

The supporting documents must be documents that are externally sourced or are generated from primary sources. It is not appropriate for a SWOT analysis or PESTLE analysis prepared by the candidate to be used as a supporting document. A summary of results from primary research may be used as a supporting document, but not documents that have been directly written by the candidate. If the candidate is able to source internal company strategic documents (e.g. a SWOT analysis prepared by the company itself) then this may be appropriate, but not one prepared by the candidate.

The highlighting is a crucial step in the process. Not only will it help the candidate to plan and organize the data they require for the commentary, but it will also help the moderator to judge the performance on Criterion C – the extent to which they have used some data from the documents. If the supporting documents are not in the language of submission, the highlighted sections must be translated.

The supporting documents should be clearly labelled as such, as opposed to separate “appendices”. Candidates may want to offer additional material in appendix, although this is by no means necessary. Since May 2018, the supporting documents are uploaded as a distinct file to ensure that candidates do not forget to submit them, which would otherwise result in a mark of zero for criterion A.

To access the top level of this criterion, candidates need to ensure that the supporting documents are:

- Relevant – this is where the choice of documents is crucial. The documents must be directly related to the issue chosen and not just general company documents.
- Sufficient in depth – to ensure this, the choice of documents will be important. Newspaper and journal articles will often be good sources of supporting documents, but the level of analysis in newspaper articles may differ significantly from one to the other. Candidates should ensure that the source chosen is a suitable one in terms of the level of depth of analysis in the articles. Documents like company price lists or product lists will not allow candidates to access the top levels of this criterion.
- Provide a range of ideas and views – to ensure that they meet this requirement; candidates need to choose different sources and these need to be very carefully chosen if they are to offer a range of ideas and views. If it is not immediately clear from the supporting document itself, the document should be clearly labelled with the date in order to show that it meets the requirements of the task.

Criterion A has a strong emphasis on the number of supporting documents used by the student: the SLIA instructions state “three to five” and students who do not follow this requirement cannot achieve a mark higher than 1 for criterion A. Moderators noted that a small number of candidates and their teachers did not pay close attention to this aspect; teachers have to remain vigilant in the future. The timing (date) of the supporting documents, however, did not present any particular problem; it had been an issue in previous years, but not any longer. The Guide clearly states that the supporting documents “must be written within a maximum of three years prior to the submission of the written comment to the IB”.

Criterion B

The two key elements to this criterion are the selection of appropriate business tools, techniques and theories and their application. Given the word limit, it is important that the issue chosen is well-focused to allow for the choice of appropriate tools. This was generally well done, although the application of the business tools was not always as effectively done.

A SWOT analysis is not a requirement for the commentary. In some cases, a SWOT analysis may be appropriate, but this is a strategic tool and so may be difficult to apply effectively within the word limit.

Given the word limit, the use of a SWOT analysis should be carefully considered before its inclusion. It may be an effective tool for the candidate whilst preparing the commentary, but it may not always be appropriate to include it: this very useful background preparation may be better in the appendix. If a SWOT analysis is included, all elements should be appropriately sourced and evidenced. It is not appropriate to do a SWOT analysis of a theory, of an individual manager, strategy, situation, or proposal, and these should not be attempted.

Criterion C

To achieve the top levels of this criterion, candidates must show where material (in the main body of the commentary) has been sourced from. In other words, they need to show clearly where, from within the supporting documents, the evidence for their analysis appears. The best commentaries directly referenced the material they used (with in-text citations or as footnotes). This made it very clear how the material had been synthesized and it was very helpful to moderators.

It is helpful for this criterion to refer directly to the supporting documents in the body of the commentary and to use the material from them to illustrate the analysis. This is, after all, a “commentary” and so candidates should ensure that they use the supporting documents effectively and integrate the information from them appropriately with their chosen business theory, tools and techniques.

Criterion D

The requirements of this criterion were generally well met, though the conclusions should be clearly set out as a separate section. While it may be perfectly appropriate to draw conclusions about the arguments raised in the body of the commentary, there should also be an overall conclusion offering answers to the commentary question chosen. Recommendations for action are not required, unlike for the HLIA.

Criterion E: Evaluation

The performance on this criterion was varied, as may be expected given the skill being asked for. The key phrase in the top level of this criterion is the need for judgments to be “substantiated”. This process of substantiation will partly depend on the choice of supporting documents. The greater the range and depth of views offered in the supporting documents, and the higher the level of analysis within them, the easier candidates will find it to substantiate their judgments.

Criterion F: Structure

This criterion assesses the extent to which the student organizes their ideas into a structured commentary with an argument that is easy to follow – for example “part 1: advantages, part 2: disadvantages”, or “section 1: arguments for the merger, section 2: arguments against the merger”. There is no prescribed structure, unlike HLIA. The majority of students were able to reach level 2; all teachers seemed to apply this criterion without any problem.

Criterion G: Presentation

This criterion assesses the extent to which the submitted work is well presented (with a title page, consistent referencing etc.). The majority of students were able to achieve 2 marks. Many teachers seemed to apply this criterion correctly, although moderators noted that some teachers seemed over-zealous in their attempt to penalise students and prevent them from achieving 2 marks. If the presentation is absolutely fine but the fifth supporting document starts on page 15 and not page 16 as indicated in the table of contents, deducting one mark is unnecessarily harsh – likewise, some teachers seem to wrongly believe that this criterion assesses how perfect the bibliography is. Teachers must use their professional judgement and consider the quality of the presentation holistically.

Recommendations for the teaching of future candidates

- The use of a checklist can help ensure that candidates meet all the requirements of all criteria.
- Give candidates access to the relevant parts of the IB Guide and to the assessment criteria before starting the commentary, this will allow them to see in detail the requirements of the task.

- Candidates will need support and help in the identification, choice, preparation and use of the supporting documents. The impact that this choice has across many criteria makes this a vital element of the commentary process.
- Candidates should be encouraged to use theory explicitly in the commentary and to apply it appropriately to the business issue/problem chosen.
- Candidates should be provided with precise guidance and support for referencing, also ensuring that the supporting documents are referenced throughout the commentary.

Higher level paper one

General comments

Candidates seemed to have little difficulty understanding the case material and answered in context relating answers to the business and its issues. There was little evidence of poor time management except from a minority of candidates. Although the questions in Section A were quite challenging in terms of length and wording and had a significant focus on 'change' candidates generally responded well

There continues to be evidence of candidates being over-prepared by anticipating, almost always wrongly, the questions that are to be asked. It is better to prepare candidates by discussing the issues involved with the business rather than question spotting.

There remain a large number of 'textbook' answers notwithstanding that this is a case study- based paper and context is all-important.

The areas of the programme and examination which appeared difficult for the candidates

- Concepts such as industrial/employee relationships, business functions and marketing practices
- Skills such as answering in context and explaining terms with precision
- Understanding assessment criteria especially for Section C
- Answering the question that was set rather than the question that was anticipated.

The areas of the programme and examination in which candidates appeared well prepared

- Concepts such as stakeholders, motivation, leadership, external environment,
- Comprehension of the case and time management

The strengths and weaknesses of the candidates in the treatment of individual questions

Question 1

Fewer candidates chose Question (1) than questions (2) and (3). For (1)(a), candidates were asked to describe how changes in operations management altered RDM's relationship with two other business functions. Of those that did answer almost all candidates chose Human Resources, outlining the reduction in the workforce and the change to a more skilled workforce. Many candidates chose Finance and Accounting, describing the need for finance. Some candidates did not understand the term 'business function'.

For (1)(b), candidates were asked to explain how the change from traditional mass production to highly automated production affected the interests of internal stakeholders. Nearly all candidates identified correctly internal stakeholders, usually employees and managers although some identified directors and/or owners. Most candidates identified more than one stakeholder. Weaker answers tended not to develop the context or kept their explanations to the simplistic without developing their ideas. The best

answers developed the impact of the changes on both the stakeholders and the business and used the context well.

Some candidates just copied extracts from the case study in their answer; identifying the relevant case study material is important, but it should only be a starting point: the text written by candidates should go beyond what is stated in the case study and it should add value, showing the candidates' knowledge and understanding in their own words; solely quoting the case study is not enough to be awarded marks in the higher mark questions.

Question 2

Most candidates chose question (2). For (2)(a), candidates were asked to outline one advantage and one disadvantage of Jan's leadership style. Most candidates showed very good knowledge of the advantages and disadvantages of democratic leadership style and gave a typical textbook answer. Fewer candidates were able to relate their answer to the relevant case material – for example: most employees love the environment; it is consistent with teamwork and creativity; that some employees have complained that there is insufficient guidance; and that the business sometimes lacks focus. However, candidates who state this context also need to relate it to leadership style rather than simply 'lifting' it from the case

For (2)(b), candidates were asked to explain how innovation at RDM may have influenced marketing practices. Many candidates picked up in the case material that RDM 'did not have a marketing strategy' and promptly presented a pre-prepared answer based on what would be a good marketing strategy. They did not answer the question that was set and could only be rewarded for their knowledge of marketing. Good answers focused on what was relevant about the 7Ps (or 4Ps at Standard Level) at RDM prior to and after innovation. Fairly common in many answers was a comparison between the standardized product to begin with which became customized products after innovation. Other ideas included the likelihood that prior to innovation products were sold through retailers whereas post innovation there was direct contact with customers. Another relevant thought that a few candidates mentioned was that prior to innovation the products were at the end of their life cycle which would have been reflected in any marketing whereas post innovation there were products at various stage of the cycle. Candidates were also able to develop some ideas relating to price, people and processes. Just because there was no strategy does not mean there was no marketing

Question 3

Question 3 was fairly popular. For (3)(a), candidates were asked to describe two changes to the external environment that affected RDM. Most candidates were able to answer these in context but many answers were limited in describing the effects. Changes often included: the ageing population suggesting to RDM that they enter the market for health products; the political changes (communism and the velvet revolution affecting the ownership and management of RDM); technological changes allowing innovation at RDM; the Czech economy and role in Europe; and changes to the Czech IT infrastructure, affecting how RDM operated and developed. The best answers identified the changes and described how they affected RDM.

For (3)(b) it is clear that candidates understand issues to do with motivation and how these may relate to leadership styles. Some candidates gave very general answers or limited their answers to the situation currently prevailing at RDM. The best answers explored how motivation may have been achieved when the workforce was fairly large, unskilled and doing repetitive jobs to the current situation which has a smaller workforce, skilled labour and responsible jobs.

In Paper 1, for all these questions, theoretical answers are not enough: candidates are expected to provide a balance of “theory” and “practice” – such is the nature of Business Management, an applied subject.

Question 4

(a) Few candidates were able to give a clear description of industrial/employee relations methods used by employers. Some who gave trade unions (a valid method) did so from the perspective of the employees rather than employers. Good answers referred to any of the recognized methods including collective bargaining, arbitration, negotiations with unions and more extreme methods such as lock-outs.

(b)(i) Almost every candidate got the correct answer – rounding was allowed. For (ii) some candidates got the correct answer of 19,000. Some candidates got the new capacity of 40,000 but did not subtract the 21,000 to get the increase. Candidates who got the answer wrong were rewarded, where appropriate, if the working showed that they were using a reasonable approach.

For (c) most candidates understood the concept of resistance to change and many candidates related this to the issues involved in entering the US market. Weaker candidates often identified contextual issues (such as employees having to move, different employment conditions in the US, language issues etc.) without linking these into the concept of resistance to change.

For (4)(d) there were many answers that included factors that are internal to RDM. SWOT analysis has internal factors included in strengths and weaknesses so are not appropriate to opportunities and threats. Better answers discussed the external factors relating to RDM in terms of those that present opportunities and those that create threats. Very few answers took the final step of attempting to balance the opportunities and threats and even fewer answers justified which of the two outweighed the other.

Question 5

There was a wide range of answers for this question. The best answers showed a strong grasp of applying appropriate tools. Relevant tools could include, but not necessarily: decision trees, Ansoff, sometimes the Boston Matrix, SWOT and occasionally force field analysis along with relevant ideas such as motivation, marketing, risk, management of change, sources of finance. The choice of tools and ideas was more important than trying to include as many tools/ideas as possible – the choice being based on the need to be able to justify a recommendation. The best answers made good use of the tools/ideas and strong use of the information provided in the additional material. Few candidates scored well on Criterion E. For Criterion E it is important for candidates to build their answer around the various stakeholders in the business. Many candidates wasted marks on Criterion D by not structuring their answer well including such simple ideas as an introductory paragraph and a concluding paragraph i.e. a separate paragraph including a recommendation or a conclusion.

Recommendations and guidance for the teaching of future candidates

Class activities to improve exam skills: Ensuring that candidates are familiar with the issues that the business faces, both internal and external, and can see these issues from the perspective of the various stakeholders, both groups and individuals. Activities can be developed to encourage better use of context.

Understanding of subject areas: There needs to be greater precision in most concepts but particularly SWOT, business functions, industrial relations.

Examination skills:

- Candidates need to be encouraged to analyse questions into command word/subject topic/context relevant to the question.
- Candidates should also spend time analysing the meanings of the command words such as 'explain', 'describe', 'discuss'.
- There needs to be greater understanding of the requirements of Section C, particularly criteria D and E.

Standard level paper one

The areas of the programme and examination which appeared difficult for the candidates

The two main areas of the syllabus where many candidates seemed to have difficulty were:

- Marketing Question 2(b)
- Finance and accounts Question 4(b)

The areas of the programme and examination in which candidates appeared well prepared

Most candidates seemed well prepared as they understood the case study well. Candidates seemed particularly well prepared for questions about Unit 1 (Q3a about the external environment, Q4d about strategic growth) and Unit 2 (Q2a about leadership styles, Q3b about motivation).

The strengths and weaknesses of the candidates in the treatment of individual questions.

Section A

Question 1

Fewer candidates chose Question 1 than questions 2 and 3. For (1)(a), candidates were asked to describe how changes in operations management altered RDM's relationship with two other business functions. Of those that did answer almost all candidates chose Human Resources, outlining the reduction in the workforce and the change to a more skilled workforce. Many candidates chose Finance and Accounting, describing the need for finance. Some candidates did not understand the term 'business function'.

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Some candidates just copied extracts from the case study in their answer; identifying the relevant case study material is important, but it should only be a starting point: the text written by candidates should go beyond what is stated in the case study and it should add value, showing the candidates' knowledge and understanding in their own words; solely quoting the case study is not enough to be awarded marks in the higher mark questions.

Question 2

Most candidates chose question 2. For (2)(a), candidates were asked to outline one advantage and one disadvantage of Jan's leadership style. Most candidates showed very good knowledge of the advantages and disadvantages of democratic leadership style and gave a typical textbook answer. Fewer candidates

were able to relate their answer to the relevant case material – for example: most employees love the environment; it is consistent with teamwork and creativity; that some employees have complained that there is insufficient guidance; and that the business sometimes lacks focus. However, candidates who state this context also need to relate it to leadership style rather than simply ‘lifting’ it from the case

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In Paper 1, for all these questions, theoretical answers are not enough: candidates are expected to provide a balance of “theory” and “practice” – such is the nature of Business Management, an applied subject.

Section B

Question 4

For (4)(a), candidates were asked to state two reasons for selecting a specific location for production. Most candidates answered correctly, with a wider responses such as the cost of land, the cost and/or availability of raw materials, local workforce, infrastructure, transport, proximity to markets, proximity to suppliers etc. The question was accessible and did not present any particular difficulty.

For (4)(bi) and (4)(bii), candidates had to do some calculations, which is always challenging for some, even though the formula of the ARR was provided. A small number of candidates did not achieve full marks

because they did not show their workings (although the instructions explicitly stated “show all your working”) or did not include the unit: “years” for (4)(bi), “%” for (4)(bii).

For (4)(c), candidates were asked to explain two types of financial rewards that RDM could use. As for (2)(a) and (3)(b), many candidates wrote generic answers, typically defining bonus or fringe benefits in general, without application to the case study. As a consequence, the marks awarded to (4)(c) were overall disappointing; many candidates clearly had some theoretical knowledge of financial rewards, but did not link this to the case.

For (4)(d), candidates had to recommend one of two strategic options. Both had advantages and disadvantages; candidates who achieved the highest marks considered the advantages and disadvantages of both options, whereas candidates who discussed only one option produced one-sided, limited answers. One fairly common approach did not work well: some candidates started their response with their recommendation: “RDM should choose Option A because...” and the whole response was just a justification, without considering other arguments, other perspectives.

Recommendations for the teaching of future candidates

Teachers should not over-prepare by trying to anticipate specific questions that arise out of the case study. Familiarity with the business and the issues that it faces should be the focus of preparation so that candidates can tackle any question that arises in Section A. A complete understanding of the business and its issues should also help candidates assimilate the new material that is given for section B and provide material for answering the questions in those sections.

Higher level paper two

The areas of the programme and examination which appeared difficult for the candidates

The most notable areas were:

- The nature of cooperatives
- Quality circles
- Methods of conflict resolution (not industrial action)
- The use of financial data/ ratios in an evaluative question
- Application using information from the stimulus in AO2 level questions.
- The provision of substantiated evaluation
- The definition/ description of the relevant concepts
- The use of specific, real and relevant examples of the impact on various stakeholders.
- A lack of specific application to the stimuli beyond the name of the organisation was still quite noticeable in level two questions. Even more so compare to past sessions despite commenting on such an issue in every past session. Many candidates demonstrated very sound theoretical knowledge but still do not go beyond just mentioning the name of the organisation.
- Unfortunately, on many occasions, when 2 marks were available for an explanation of an issue, many candidates were awarded just 1 mark due to specific application to the nature of the business, product, industry, the current situation as specified in the stimulus.
- Again, please note that just to mention the name of the organisation cannot be qualified as application.
- For level two of the command words, candidates are expected to explain, not just describe, as well as properly apply, in order to be awarded the full marks available, usually 2 marks per issue.

Level 3 command terms

- The number of one-sided responses was lower than previous sessions. Most candidates attempted to provide a balanced response to the question/ issue /decision/ action that they were asked to judge/ evaluate.
- However, many candidates' inability to evaluate and substantiate their conclusion is still a major issue. The ability to evaluate and to meet the expectation of this command term is a good discriminator between candidates.
- Often judgments were based on a summary of the arguments put forward before without weighing up the significance of the argument which is based on particular circumstances for the relevant organisation in the stimulus.
- Another issue that candidates and teachers should pay attention to is some of the candidates' inability to go beyond the printed materials in the stimuli. A noticeable number of candidates simply regenerated the printed information without further expansion and elaboration regarding the exact effects/ impacts of their chosen arguments on the specific organisation/ stakeholders in the stimulus.
- Given the above, the top mark band was not accessed by the majority of candidates.

The areas of the programme and examination in which candidates appeared well prepared

- Most candidates did not exceed the requirement of the command words.

- Many candidates showed good theoretical knowledge.
- As in previous sessions, the candidates that produced very sound theoretical answers with specific application to the case were able to reach the top band.
- More candidates provided conclusions.

The strengths and weaknesses of the candidates in the treatment of individual questions

Section A

Question 1

(a) Many candidates lost one mark as they did not show understanding that the financial information is forecasted.

(b) Many candidates showed good understanding of the required format. Many candidates showed a good conceptual understanding but omitted a heading, and or used different terminology or used incorrect terminology like net profit instead of net cash flow.

A notable number of candidates put salary as a cash inflow.

(c) Most candidates were not awarded the full 2 marks. Most presented some possible theoretical reasons for a problem that an organisation may experience but without specific application to Las Migas and/or without use of some information from the stimulus.

Question 2

(a) A straightforward question, which the majority of candidates answered successfully.

(b)(i) Teachers are reminded that profit and loss accounts must be accompanied by a title. Overall, this question was not approached well by many candidates. Many are still unable to distinguish between those items that go in the balance sheet and those in the profit and loss account. This resulted in candidates attempting to fit 'all' of the given data into a profit and loss account and consequently scored low marks. Had it not been for the fact that the question asked for the calculation of sales and tax, many would have scored zero marks.

A few candidates showed a good understanding of the profit and loss account but then stopped at net profit after tax – losing 2 marks for missing dividends and retained profit.

(b)(ii) A fairly straightforward calculation but still many candidates lost the mark for either incorrect rounding of the answer OR omitting the percentage sign.

(c) This question was poorly answered on several fronts. Firstly, many candidates simply said to increase the price. In a competitive environment this is not possible and this was clear from the stimulus. Secondly, candidates who understood the difference between gross and net expenditure mentioned the idea of increasing advertising to increase sales. Whilst this might indeed increase sales, without any change in the unit costs there would be no change in the profit margin. Finally, even if candidates understood the need for reducing Cost of goods sold, there was often no real application i.e. to finding cheaper suppliers of fruit and/or tins.

Section B

Question 3

(a) Most candidates produced an incomplete definition of cooperative. Only a small percentage showed understanding that a cooperative is a for profit social enterprise. Most covered joint ownership/management. Some produced a definition of partnership.

(b) Conceptually/ theoretically most candidates understood the essence of social media. In many cases half of the marks were lost, either due to lack of specific application or due to lack of full explanation of the positive/ negative impact of social media marketing.

Some candidates just copied sentences from the stimulus regarding bad publicity without full explanation of the impact.

(c) Only a very small percentage of candidates showed a clear theoretical understanding of quality circles. Most candidates referred to quality control or quality assurance without demonstrating understanding of what quality circles actually do. On many occasions, only 1 mark was awarded due to some application/ references to the quality of the guitars. Many candidates showed good theoretical understanding, but their responses lacked application.

(d) Some candidates produced relevant, balanced and substantiated responses. Many candidates attempted to provide balanced responses with conclusions, in most cases the analysis throughout and the resultant conclusions lacked substantiation. Despite commenting on the same issue many times, a significant number of candidates still just repeat the information from the stimulus without adding value, that is, without providing further explanation/ expansion and without weighting the significance/ importance of the arguments.

Please note that just writing that overall 'the argument for... outweigh the arguments against', is not really an evidence of substantiation/ supported arguments.

Most candidates did not refer to the fact that JP is a cooperative when they presented arguments for and arguments against accepting the takeover bid by XYZ.

Question 4

(a) Some candidates produced a clear answer that outlined two different and relevant features of autocratic leadership. However, a significant number of candidates were awarded 1 mark only due to repetition of the same feature in reverse order- first reference to the leader as a sole decision maker and then reference to employees as stakeholders who are not involved in decision making.

Candidates discussed the advantages and disadvantages of this type of leadership rather than outlining two features.

(b) Most candidates demonstrated good theoretical understanding of the advantages and disadvantages of high labour turnover.

However, many candidates did not relate their response to The Warriors and the stimulus.

(c) Many candidates showed a clear understanding of the role and the theoretical costs and benefits of The Warriors committing to corporate social responsibility.

Some candidates used examples, expanded the response and fully explained the resultant costs and benefits to The Warriors and were awarded full marks. However many candidates produced a relevant

theoretical answer, but just used the organisation's name or just gave some examples from the stimulus without providing a clear and full explanation of the resultant costs/ benefits to be awarded full marks.

(d) Unfortunately, this question was not well answered by many candidates.

Candidate confusion between approaches to conflict resolution and industrial/ employee relations methods was evident.

Even those candidates who attempted to provide some suggestions regarding conflict resolution, were not able to use appropriate subject terminology.

Some credit was given to candidates whose responses implied industrial democracy/ involvement of union representative/ discussion between the parties.

Areas for concern:

- Many candidates provided a one-sided response.
- Some candidates did not discuss the source of the current conflict between Dave and the players.
- Some candidates referred to many possible solutions rather than evaluating the use of two specific, well termed methods to solve the conflict.
- Many candidates suggested that Dave should change his leadership style without discussing the likelihood and impact of this possible change from autocratic to democratic.

Furthermore, as in other AO3, despite a good attempt by many candidates to provide some balance responses and reach a conclusion and final judgment of sort, the lack of substantiation was very apparent.

Question 5

(a) Many candidates recognised that retained profits was something that was left after costs but many failed to mention dividends, which was essential for the first mark. The second mark meant providing an understanding that retained profit was reinvested in the business. Surprisingly few candidates managed to provide a full definition. It is perhaps worth reiterating that examples gain the candidate no marks in a definition question

(b) Plenty of generic responses for advantages here but with very few candidates able to provide application. On the downside a surprisingly high number of candidates seemed to think that a mission statement couldn't be changed. Whilst this clearly does not happen often it is clearly possible. Angering key stakeholders is clearly an issue here especially pressure groups and NGO's (as in stimulus).

(c) This was a very disappointing question in terms of answers. Whilst candidates mostly had no problem of identifying appropriate sources the application was largely missing. The key point here is 'putting customers before profit'. Bankers (loan capital) Investors (share capital) are all recompensed in the form of interest or dividends both of which are dependent on profits. Therefore, both sources of capital will be wary of lending to or investing in a company which does not prioritise profit – unless we are talking about ethical lenders or investors, which unfortunately no candidates mentioned. Regarding government subsidies or grants, these are difficult to obtain unless there is an economic reason to do so i.e. provides lots of jobs or provides a key product. The latter point might have provided some arguments but few if any were made.

(d) Overall the responses to this question were poor. The question is asking for comments on a decision already made. Many candidates' arguments were as if the decision had not yet been made. There are good and bad reasons for quitting. Some of the reasons are financial and some are ethical. One of the bad reasons for quitting is that since CH's competitors cannot make up the shortfall for 2 years CH could

reasonably expect to continue selling anti-venom during this period. This would provide much needed cash flow during its transition to new types of vaccine, which can take a long time to develop.

Of course, a good reason (ethical) is the ability to help people in need of new vaccines and therefore in some sense abide by their mission statement. Although a bad reason (financial and ethical) may be the need to change the mission statement in order to raise the much-needed finance to develop new vaccines. The key to a good response was 2+2 arguments with at least one being ethical.

Judgment was often limited. Candidates should not just write a short summary of their arguments at the end of their response but should attempt to prioritise, weigh the relative risks and to some extent be prepared to be critical of their own arguments.

Section C

Question 6

Some good, well-argued responses candidates who examined the impact of ethics on innovation.

However, many candidates wrote about the impact of innovation on ethics.

Many candidates did not make the connection between ethics and innovation. Each concept was treated separately with some application to an organisation.

Innovation is still very loosely defined by many candidates.

On many occasions it was difficult to say why the chosen example/ practice could be judged as innovation. Many candidates, despite comments in previous subject reports, asserted that some minor adaptation of a product or employing more females, can be judged as innovation.

Question 7

There were some excellent responses but many candidates were not able to achieve very high marks.

Often, there was no distinction between national culture or organizational culture. Discussions regarding organizational strategies were often unfocused. Also, many candidates

Culture- the exact/specific type of culture of the chosen organisation/ country was not identified/ described/ explained or described in a very loose manner. Assertions were made about some impact without real application.

Many candidates produced a response that used ethics on organisational strategy.

Question 8

Despite comments in previous reports, the definition/description of globalisation was still all too often inaccurate. Some of the definitions of 'globalisation' were overly simplistic and often did not go beyond a vague sentence like 'when the organisation goes aboard' or 'when the organisation globalised'

Many prepared but unfortunately irrelevant responses were evident where no reference was made to organisation change.

The content –organisation change was all too often inappropriately used. Candidates refer to any change, change in calories/ product adaptation/change of menu in different countries etc as organisational change.

General recommendations for Section C:

- Be focused. Read the questions carefully before making a choice.
- Start with a clear explanation of the relevant concepts and how they apply to the required content. Put the organisation in context. Avoid a long historical review of your chosen organisation. Be concise and introduce only the relevant information.
- Avoid vague and generic examples. Provide specific and real examples when applying the concept(s) to the content. Provide balanced and well substantiated arguments. Use evaluation and critical thinking.
- Use the most relevant stakeholders and examine the impact on your chosen stakeholders/ their perspectives.
- Do not incorporate more than the concepts that you were asked to discuss.
- Conclude with a short summary and a final judgment of the impact of or whatever you were asked to examine.
- Perhaps candidates should have a portfolio of organisations as different organisation are likely to be better suited to different questions in term of concepts and content.

Recommendations and guidance for the teaching of future candidates

Clearly explain and constantly practice questions at the different level of the command terms.

Enable students to research more than one company while preparing for section C questions.

Candidates should answer questions directly as asked and not use pre-prepared responses which may not answer the question.

Standard level paper two

The areas of the programme and examination which appeared difficult for the candidates

In general, candidates appeared to have some knowledge of most parts of the syllabus. Answers varied, which is to be expected. Few major areas stand out as areas of weakness. Where candidates could have performed better included:

- Cash flow. As is usual with this type of question, candidates' marks tended to cluster at the top or the bottom. In other words, candidates know how to produce a cash flow and in general to produce one properly or with one or two mistakes, or the candidates have only a vague idea. Some common labelling problems persist, such as calling net cash flow, profit.
- Application to the stimulus. This issue was especially pronounced on questions (3)(e), (4)(b) and (5)(b). Often candidates gave excellent theoretical responses but failed to apply to the stimulus and, thus, they lost marks.
- A surprising number of candidates did not know what trade credit, batch production, delegation, and globalization are.
- Section C. Responses varied, as to be expected, but in general, several issues stood out:
- Some candidates appear to have been entirely unaware of the expectation that they write their response in an essay format, which includes an introduction, a body, appropriate paragraphing, and a conclusion.
- Many candidates elected not to define or explicitly explain the concepts in their chosen question. Doing so, either in an introductory paragraph or in the first paragraph of the body, increases the likelihood that that candidates will earn higher marks under criterion A.
- Many candidates did not explicitly consider stakeholders.
- Though many candidates conveyed understanding, two common misunderstandings appeared rather frequently. First, many candidates equated change with innovation. For example, if a company changed its product line, many candidates argued that the company was innovating, which is often not the case. Second, many candidates defined (or attempted to convey understanding through exemplification) of globalization as a company growing or becoming a global firm, which is different from globalization.
- We continue to see candidates say that globalization is when a company becomes a multi-national or grows to reach most areas of the globe. This is not globalization.

The areas of the programme and examination in which candidates appeared well prepared

As noted above, broadly speaking, many candidates demonstrated some level of knowledge across a broad range of the syllabus. Areas of particular strength included:

- Quantitative questions. When candidates knew how to do calculations related to a profit and loss account or balance sheet, which was often, they earned high marks.
- Many candidates knew elements of a business plan, cash flow, break-even, organizational chart, market share and basic business mathematics, merits and demerits of small organizations (even if responses were largely theoretical), the difference between internal and external growth, mission statements and corporate social responsibility.

- Many candidates had an understanding to include “balance” in responses to the ten-mark question, even if candidates were not always fully effective in execution. Nevertheless, it appears as though teachers are preparing candidates to provide balance.

The strengths and weaknesses of the candidates in the treatment of individual questions

Question 1

- (a) Many candidates were successful (2 marks) on this question.
- (b) Marks range from 0 to 6. Many candidates could do the cash flow accurately but some had no idea of what one was. Marks were lost for various reason including errors in classification, labelling, and mathematical problems.
- (c) Most candidates performed well on this question about problems facing Las Migas as a new business.

Question 2

- (a) A surprising number of candidates did not have an accurate understanding of trade credit. Really succinct and precise responses were rare.
- (b)(i) Many candidates could accurately calculate the contribution per unit.
- (b)(ii) Most candidates, as well, correctly calculated the margin of safety.
- (c) Most candidates had at least some idea of what a break-even chart is. Many scored four marks. When they did not, marks were typically lost for the chart not being to scale or an inaccurate label on the y-axis.
- (d) Candidates who understood break-even (questions b(i), b(ii), and (c) typically outlined that an increase in competition would decrease DuffJD’s margin of safety.

Question 3

- (a) Many candidates had some understanding but many did not provide two features of batch production.
- (b) Many candidates earned full marks on this question and labelled plausible organizational charts.
- (c)(i) Many candidates knew how to calculate the total size of the plastic container market.
- (c)(ii) Many candidates did well on this question.
- (d) Responses on this question about delegation were surprisingly weak. Many candidates had no idea what delegation was or, if they had some understanding struggled to explain how delegation might improve delivery times.
- (e) While many candidates knew some merits and demerits of small organizations, answers tended to be theoretical with limited application to the stimulus.

Question 4

- (a) Many candidates struggled with this question, in part because they did not have a clear idea of what revenue is.
- (b) Many candidates knew one advantage and one disadvantage changing legal status, but often they failed to apply their response to the stimulus.

(c) Application to the stimulus was much stronger on this question than with 4 (b).

(d) Candidates often knew many advantages of corporate social responsibility but often knew only one disadvantage, cost. Thus, responses tended not to be fully balanced.

Question 5

(a) Many candidates earned 1 mark but far fewer earned 2. Responses were not precise.

(b) Many candidates knew an advantage and disadvantage of a mission statement. When candidates lost marks it was typically because of lack of application. Many candidates did apply to the guide.

(c) For the most part, candidates could name two possible sources of finance, though explanations were sometimes weak.

(d) Responses were not as strong as might have been hoped for. Often candidates merely summarized the stimulus, which resulted in fewer marks.

Question 6

Most candidates attempting this question had some understanding of ethics and some understanding of innovation, but many struggled to link the two concepts meaningfully with relevant business knowledge.

Question 7

Most candidates had at least some understanding of culture. They were weaker on organizational strategy. McDonald's' changing menu items when enter a new market, which was a commonly written essay, does not rise to the level of organization strategy, unless the question is examined in a fifty-year historical context, which did not happen.

Question 8

A surprising number of candidates had a misunderstanding of what globalization is and argued that globalization is when a company become a multi-national organization or a global company. For this reason, many candidates lost marks.

Recommendations and guidance for the teaching of future candidates

Some recommendations occur almost every session and still apply: candidates must know the meaning and expectations for the command words, must know how to have balance in their responses, and know how to do quantitative questions precisely, including how to label charts and tables.

- Teachers need to instruct candidates on the concept-based question and how they will be marked. Some candidates – including at times candidates who otherwise appeared to be quite capable - lost marks on Section C simply because they did not fulfil the requirements of the question. It is possible that these candidates did not know the requirements of the question.
- Often candidates write more than they need to, especially on the A01 questions. On question 1 (a), “State two elements, other than a cash flow forecast, of a business plan,” students could simply write an executive summary and a business description and receive 2 marks. When they wrote a lot, they did not lose marks, provided in their response they had two stages, but they did lose time.
- Candidates should answer questions directly as asked (and not just regurgitate memorized responses on certain topics). When candidates regurgitate memorized responses, they often lose marks because

they are not directly answering the question and sometimes they lose time because they are writing more than necessary.

- Candidates should be reminded that they are expected to know all elements of the course guide. If a topic has not been asked in some years, candidates should not assume that they do not need to know a topic.

Teachers may want to consider developing a precise protocol or plan for candidates to follow when answering Section C, something along the lines as follows:

- Paragraph 1: Introduce essay
- Paragraph 2: Define and explain theoretically concepts and any specific Business Management content required by the question
- Paragraph 3 and possibly 4: Apply the concepts to the company
- Paragraph 4 (or 5): Consideration of stakeholders
- Final paragraph: Conclusion