

May 2016 subject reports

## Business Management

Overall grade boundaries

### Higher level

<b>Grade:</b>	1	2	3	4	5	6	7
<b>Mark range:</b>	0 - 13	14 - 27	28 - 39	40 - 49	50 - 59	60 - 69	70 - 100

### Standard level

<b>Grade:</b>	1	2	3	4	5	6	7
<b>Mark range:</b>	0 - 10	11 - 21	22 - 32	33 - 43	44 - 57	58 - 68	69 - 100

Higher level internal assessment

### Component grade boundaries

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

### The range and suitability of the work submitted

This is the first session that the higher level internal assignment has been assessed under the 2016 programme guide. Although the basic task for the HL IA did not change, the assessment criteria did. Some of the changes were significant and others less so. However, it is true to say that many candidates did not fully take on board the new requirements of the assessment criteria and as a result lost unnecessary marks.

Most assessments respected the word limits for the report and the research proposal, but a minority did not. The new guide makes it explicit that moderators will no longer read beyond 500 words for the research proposal, 200 words for the executive summary and 2000 words for the written report. Although candidates are not penalised specifically for exceeding word counts, the penalty is to be found in the omissions that result. For example, if conclusions and recommendations in the main report are beyond the 2000 words, zero marks would be awarded for both criterion E and criterion F as these are now deemed to be absent. It also impacts on the assessment of criterion H, on presentation.

The absence of a research proposal and action plan was rare, but required sections were absent in a number of reports. As in previous sessions, it was clear that some candidates were unaware that words in the action plan must be included in the word count, even if the action plan is in the form of a table.

Some aspects of the activity remained similar to reports crafted under the previous guide. The majority of projects investigated marketing and human resource management issues; many of which were too broad in scope and unmanageable within the word limit. It appeared that more candidates were focusing on large organisations and broad topics, such as the entire marketing mix or the motivation offered by these multinational organisations. Where motivation was the focus there was often an over-reliance on Maslow, without sufficient appreciation of the theory's limitations.

In every session report, there is reference to the limited selection of business tools, techniques and theories. Despite the familiar comment that there is an overemphasis on SWOT, PEST and force field analysis, the trend has continued in the new programme, and even accelerated. There is nothing wrong with using these tools and techniques provided they are relevant, that the candidate understands them and is then able to apply the findings or outcomes from these to answer the research question. Unfortunately, it appears that many candidates just included these tools and techniques in a routine and checklist fashion without using them to help analyse and evaluate, and without connecting tools and techniques to support a coherent argument. SWOTs were frequently simply the opinion of the candidate without adequate referencing, evidence, data or structure. Entries were often placed in incorrect segments in both SWOT and PEST and the weights in force field analysis were often unsubstantiated or even missing. The candidates then went on to justify recommendations using their subjective and unsupported findings.

It was also evident that some candidates placed SWOT, PEST and other tools and techniques in the appendices, with footnotes pointing to these in the main report. In most cases where this happened, there was little, or even no, analysis and evaluation in the main body of the report itself. In some instances, there was more analysis, referencing and discussion in the appendices than in the report itself. It should be noted that only the information in the main body will count towards the overall assessment. The appendices are designed to provide additional supporting materials and there is no obligation on moderators to read the appendices or reward any of the content there.

On a positive note, many candidates selected relevant topics for research, with research questions that were sufficiently focused to be manageable within the word limit. Supporting primary and secondary data was collected to support analysis and evaluation. Although the assessment criterion, 'value to management' no longer exists, the better reports would certainly add value to business decision-making.

## Candidate performance against each criterion

There are nine assessment criteria for the research project.

Criterion A: Research proposal

Criterion B: Sources and data

Criterion C: Use of tools, techniques and theories

Criterion D: Analysis and evaluation

Criterion E: Conclusions

Criterion F: Recommendations

Criterion G: Structure

Criterion H: Presentation

Criterion I: Reflective thinking

### Criterion A: Research proposal

This criterion assesses the extent to which the candidate presents a research proposal that gives an effective direction for the project, with all the required elements laid out in the business management guide.

The research proposal is separate from the main report, and should be placed before it. It is a very important document in that it focuses on the reason for the investigation, the theoretical framework and the research methodology.

The framing of the research question underpins all the subsequent research, so these questions need to be forward-looking and sufficiently focused to drive subsequent research and to narrow the project down to an investigation that is manageable within the time allowed and to avoid wide generalisation. Where reports had vague and expansive research questions, they tended to description, superficial analysis and generalised conclusions. It is fair to say, however, that over the last few sessions, research questions have improved in this regard, but there are still too many broad and generalised questions that seriously undermine the ability of candidates to produce effective reports.

In general, research projects and action plans were fair, and most candidates attempted to include the required elements. Few candidates achieved less than two marks. However, there were weaknesses. Some rationales were personal, rather than business related. For instance, 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. A business rationale should include some firm related weakness, future decision or change in the external environment. For example, the firm may be experiencing commercial shocks affecting their business, such as reduced sales and/or profits, lower productivity, increasing staff turnover or rising competition. It would be helpful if some data was presented to support the rationale in the research proposal. In this session, few candidates tried to quantify the nature of the problem.

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.

Anticipated difficulties of the research were generally addressed, although in some cases these were unrealistic and simply added to satisfy the 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.

It was clear that many candidates were genuinely using the action plan as a primary planning document and the use of Gantt charts to identify progress was not only effective, but reduced the words needed and made it easier to remain within the word count. However, a major issue that concerned some action plans was that candidates exceeded the 500 word limit, because they did not include the words within their action plan 'table' in the research proposal total.

The research proposal should be a living document that covers the entire research period and, therefore, amended if circumstances change so the inclusion of an amendment column is recommended. Many candidates made such amendments.

### Criterion B: Sources and data

This criterion assesses the extent to which the candidate 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. This represents a change from the previous guide where the sources and data criterion rewarded both primary and secondary data. Criterion B in the new guide specifically assesses and rewards primary data, although secondary data will contribute to other criteria, such as analysis and evaluation and recommendations in Criterion D and F respectively. Secondary data should also be used to establish the context of the investigation and the rationale for the research study.

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.

There was, unfortunately, a tendency in a significant number of reports to make generalised statement without adequate or appropriate data or citation. Indeed, some reports relied almost entirely on limited, questionnaires, with small, and unrepresentative samples sizes. Few candidates explained the selection and reliability of their sample, nor identified their sample frame. In some cases, it was evident the sample consisted of friends and/or family who were unrepresentative of the market demographic.

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. By critically assessing the quality of data and questioning potential bias, candidates provided the basis for effective analysis and evaluation. As in previous sessions, a number of reports relied on a single primary source as the basis of their written report, which significantly reduced the marks awarded for this criterion. There was also an overreliance on information from senior managers or customer questionnaires, without checking the results against available secondary data.

The HLIA is intended to be a practical investigation using primary research distinguishing it from the more academic process of writing an extended essay in business management. The ultimate purpose of the HLIA is to encourage candidates to apply the theory learned in the classroom to a real life situation. To achieve this, the student should contact an organization, visit it and in the process collect primary research from that firm to answer the research question. Therefore, candidates should not undertake a pure field research or only collect primary data from customers using surveys or questionnaires.

### Criterion C: Use of tools, techniques and theories

This criterion assesses the extent to which the candidate understands and applies relevant business management tools, techniques and theories to provide an insight into the situation under investigation.

It is understandable that candidates want to solve problems they investigate, especially if this a positive impact on the operations of a family firm. However, the ultimate purpose of the HLIA is to show that candidates are able to gather data and use appropriate business theories, techniques and tools to make sense of this data, in the context of real business. Overly practical reports addressing a business problem, did not necessarily provide the scope for those candidates to show evidence of academic understanding or allowed for the application of business tools, techniques and theories.

Weaker candidates relied almost entirely on poor SWOT and PEST analyses and also failed to recognise the connections between the two and the resultant strategic opportunities. A SWOT analysis may represent a good starting point for an investigation, but it needs to be supported with evidence and data and the entries fully sourced. It is not acceptable for the student to generalise and, in essence, to make up the SWOT from their 'experience' and/or observation. Too many candidates relied on their SWOTs to justify recommendations, even though the SWOT was not the result of objective research. In addition, many SWOT analyses were inaccurately prepared with entries in the wrong categories particularly in the case of the "opportunities" section that frequently included internal, controllable factors. SWOTs were carried out for strategies or policies, rather than organisations; in these cases the SWOT was merely a list of advantages and disadvantages of the strategy or policy.

Force field analysis has become more popular and, indeed, some centres seem to have encouraged all their students to use this tool, even where it lacked relevance and did not help answer the research question. Again, far too many force fields were purely subjective with little attempt to justify the selection of a weight or a restraining or driving force. Weights were frequently estimated by candidates.

Another commonly used technique was Ansoff's matrix. This was used more effectively than SWOT and PEST, even though some candidates did not justify why a particular growth strategy was appropriate, or investigated this approach in comparison to other growth strategies that appeared to be equally relevant or appropriate.

Many other HL tools and techniques were essentially ignored by candidates this session, especially those which provided quantitative evidence and greater validity and reliability. Few candidates, for instance, applied ratio analysis effectively or employed investment appraisal techniques. Those that did often produced far better reports. Also, tools and techniques such as cash flows, break even analysis, BCG matrices, product life cycles and decision trees were underused. 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 conclusions and recommendations.

## Criterion D: Analysis and evaluation

This criterion assesses the extent to which candidates use results and findings to explain the issue or decision investigated and their ability to integrate ideas coherently. It also assesses the extent to which the candidates effectively evaluated their arguments and made substantiated judgments.

Candidates struggled to some extent to achieve on this criterion, because of the restriction provided by the word count. It was crucial, therefore, that students were succinct and able to synthesise their findings and to apply relevant tools, theories and techniques to underpin their judgments. The better reports showed clear evidence of critical thinking based in the application of business tools and techniques to research findings to produce substantiated conclusions. The weaker reports simply described the information collected. Even when relevant business tools and techniques were used, the 'analysis' tended to be more of 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. Only a minority of candidates were able to show evidence of critical thinking and to integrate the output of business tools and techniques to produce a coherent line of argument. Most reports failed to integrate ideas effectively, and simply presented discrete pieces of information. This lack of integration of tools, theories and data, made it difficult for candidates to reach the higher achievement levels.

## Criterion E: Conclusions

From 2016, conclusions and recommendations are assessed separately. The conclusions criterion assesses the extent to which the student is able to draw relevant conclusions based on the analysis of the report, which are substantiated and consistent with the evidence presented in the report.

Most reports had conclusions, but a minority only included recommendations within a section entitled 'conclusions and recommendations'. Many candidates just merged conclusions and recommendations into one section, sometimes making it difficult to distinguish the two.

The main reason for a loss of one mark for this criterion was the introduction of new information, and even 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.

The highest mark band also requires the candidate to identify areas for further study where appropriate. There are some research questions that do not require further study. For example, the candidate may be investigating whether a firm should relocate, open a new branch or purchase a certain machine. In these cases, the conclusion could be the final decision. However, in the vast majority of cases, the issue under investigation or future decision to be made would benefit from further study to address limitations in the initial research. In these cases, candidates could not achieve the highest mark band without considering further research.

## 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.

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. As with

some conclusions, not all recommendations were substantiated using research and/or analysis in the main body.

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 unrealistic, and beyond the financial or operational capabilities of the firm.

### Criterion G: Structure

The criterion 'value to management' was replaced in the new guide by three new criteria. The structure criterion assesses the extent to which candidates organized their ideas into a structured report with an argument that was easy to follow. Many candidates were able to achieve the highest markband by structuring their report effectively and appropriately.

### Criterion H: Presentation (written report)

This criterion caused problems for most candidates. The presentation criterion assesses the extent to which candidates presented all the required components of the written report in the correct order and format. The correct order and format are given in the business management guide on pages 81 and 82 in the section 'written report' and following the statement 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.

Many students 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.

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

### Criterion I: Reflective thinking (written report)

The reflection criterion was a new addition in the 2016 guide. This criterion assesses the extent to which the candidate reflected 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.

What many candidates failed to notice was that the reflective thinking should be on the approach taken in the research process and the limitations of this research. In other words, the required reflection is not a general reflection about the issues under investigation or actions by the firm.

## Recommendations 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.
- Include a business rationale rather than a personal rationale for the investigation.
- 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.
- Collect primary data which are appropriate, varied and sufficient that will help answer the research question.
- 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.
- 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.
- Provide limitations of their research including giving future study 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.
- 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.



## Standard level internal assessment

### Component grade boundaries

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

### The range and suitability of the work submitted

The instructions and marking criteria for the SLIA have been slightly revised under the 2016 programme guide with some clarifications, for example about how to assess a commentary based on too few or too many supporting documents, or with the new criterion for Structure (in line with the HLIA).

These minor changes have not caused any particular problem to students and teachers alike; only a very small number of teachers marked the SLIAs using the criteria from the previous guide. As a consequence, the report for this component is largely similar to that of previous years, with an emphasis on the changes in the criteria.

The SLIA task itself has not changed: it 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 commentary is an overall commentary of all the supporting documents and should not be done as a commentary on each separate document.

As noted in previous reports, the 1500 word 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.

Among some candidates, there was some confusion as to the difference between a “research project” (HLIA) and a “commentary” (SLIA). The commentary does not require a forward-looking research question or a section called “methodology”: it simply is a commentary on the way in which the supporting documents help to analyse a particular 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 a SLIA checklist adapted to their own requirements (e.g. internal deadline for submission).

Centres that provided clear internal marksheets and showed (with comments/annotations) where and why the marks had been awarded for each criterion helped the work of the moderator significantly, as they could see the reasoning behind each mark allocation.

### Criterion A: Supporting documents

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.

In some cases, the supporting documents were very long – for example an entire company annual report of over 100 pages. This is neither suitable nor necessary: it is sufficient for the candidate to simply provide the relevant section of the annual report as a supporting document, highlighting the relevant passages used in the commentary. If the candidates are looking at financial issues, this could be a company's financial statements or perhaps the relevant sections relating to their corporate social responsibility if this is the topic under investigation.

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 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 company-prepared SWOT analysis) then this may be appropriate, but not one prepared by the candidate themselves.

It is helpful for the moderation of this criterion if the supporting documents are clearly labelled as such. Candidates may want to offer additional material in other appendices (although this is by no means necessary), but this material should be clearly differentiated from the supporting documents. The supporting documents should be given as a separate section to any other appendices and should be clearly labelled, for example "Supporting document 1", "Supporting document 2" and so on.

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 a number of 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 now has a stronger 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 score higher than 1 for criterion A. Moderators noted that a small number of 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 the new 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: Choice and application of business tools, techniques and theories

The two key elements to this criterion are the selection of appropriate business tools, techniques and theories *and then* 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 planning tool for the candidate while preparing the commentary, but it may not always be appropriate to include it. If a SWOT analysis is included, all elements should be appropriately sourced and evidenced. It is not possible to do a SWOT analysis of an individual manager, strategy, situation, or proposal and these should not be attempted.

### Criterion C: Choice and analysis of data and integration of ideas

To achieve the top levels of this criterion, candidates must show where material 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 and showed the sources 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 their 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: Conclusions

The requirements of this criterion were generally very 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 might 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 vast 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 vast majority of students were able to reach level 2; most teachers seemed to apply this criterion without any problem, although moderators noted that a very small number of teachers seemed over-zealous in their attempt to penalise students and prevent them from scoring 2: 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 seems unnecessarily harsh. Teachers must use their professional judgement and consider the quality of the presentation holistically, whilst following the descriptor of the criterion and its two levels.

## 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

### Component grade boundaries

<b>Grade:</b>	1	2	3	4	5	6	7
<b>Mark range:</b>	0 - 9	10 - 19	20 - 28	29 - 33	34 - 39	40 - 44	45 - 60

### General comments

This was the first examination session for the 2016 programme guide, with a slightly different assessment strategy – in particular HLP1 was marked out of 60, and not out of 80 as previously; candidates' performance was however very comparable to previous sessions. There was little evidence of candidates finding it difficult to adjust to the new specification and there was evidence that candidates found the new format for the examination more accessible as there seemed to be less evidence of poor time management and less 'question spotting'. Many candidates could have been made more aware of the significance of the assessment criteria for question 5 which was distinctly different from the equivalent question in the previous specification.

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

#### Examination technique

Some students find difficulty with providing enough precision in their answers. For example, quality control is not the same as quality assurance although many students seem to think they are synonymous. More importantly in terms of the marks available some candidates confused internal growth with internal sources of finance.

Candidates also have difficulties getting away from 'textbook answers'. Candidates have lived with the case material for some time and should be mentally prepared for answering every relevant question in the context of the scenario provided in the case, and extra material for questions 4 and 5.

Some candidates have difficulty answering the question that was set rather than one they had previously prepared for. In particular many candidates had difficulty relating their answers to the new material that was provided for question 5 and relied on solutions to problems identified in the pre-release material.

- Candidates generally did not seem well prepared for the report structure required for Part C.
- Many candidates do not seem to allocate their time in proportion to the available marks for each question.
- Many candidates seemed unaware of the marking criteria for question 5.

## Subject knowledge

There is sometimes a lack of precision in subject knowledge. For example, students should know the difference between quality, quality control and quality assurance. This comment applies to many topics.

Accounting ratios seems to be a challenge for many students.

Some students confused internal growth with internal sources of finance.

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

Many students seem comfortable with marketing and human resource management aspects of the subject. Leadership, motivation and Pink's theory were especially well understood and used.

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

### Question 1

1(a) Most candidates were able to describe a benefit of a unique selling point. Many candidates attempted to contextualise their answer.

(b) Most candidates mentioned the low price strategy. Better answers linked that to other aspects of the marketing mix, for example a wide product range.

(c) Some candidates confused internal growth with internal sources of finance. Better answers distinguished internal growth from external methods (such as franchising (mentioned in the case study), mergers and takeovers. The best answers referred to the growth that had taken place at TM such as expanding stores and services.

### Question 2

2(a) Most candidates answered this question well. Weak answers confused aims with mission/vision statements.

(b) Most candidates were able to state two reasons why TM should consider e-commerce. Detailed explanations were not necessary.

(c) Most candidates chose employees as the stakeholder and this was a wise choice as there was a lot of useful case study material relevant to them. Some candidates confused 'interests' with 'roles'.

### Question 3

3(a) Many candidates missed the key reason for low labour turnover at TM which was the poor economic conditions in France. The best answers referred to being able to keep costs low which is consistent with TM's aims to keep costs and prices low.

(b) Many candidates did not recognise the need to contextualise their answer. Better answers referred to pressure groups, the attitude to employees, the impact on local businesses.

(c) This question was answered particularly well with the best answers contrasting Henri's style with the autocratic and inflexible management style at TM. Weak answers simply described paternalistic leadership.

#### Question 4

4(a) Many candidates confused 'quality control' with 'quality' and 'quality assurance'. The best answers referred to testing/inspection/sampling at the end of a production process.

(b) Candidates generally found it difficult to contextualise their answers. Key features include TM's efforts to keep costs low and that retail outlets need to keep products up-to-date especially such things as fruit and vegetables.

(c) This was generally well answered with many candidates gaining full marks. There is a wealth of information in the case to enable candidates to answer contextually.

(d) Most candidates were either good at developing strategies or good at analysing and interpreting ratios. Few candidates could bring the two concepts together. The best answers identified the ratio issues at TM, developed strategies for overcoming those issues and then justified their choices by analysing how the ratios would change. Weak answers tended to only make assertions rather than supporting these ideas with evidence/analysis.

#### Question 5

Weaker candidates focused only on the human resource issues described in the pre-seen case study. This meant that they produced approaches that were aimed at increasing morale and motivation such as reforming the leadership style and providing different motivation incentives. However the question required candidates to address the likely strike and to develop strategies to try and resolve the conflict. The best answers explore the most recent policies from TM and developed ideas for addressing these through negotiation, arbitration, conciliation and so on and their likely success.

Many answers did not develop a suitable report style and few answers addressed the roles of groups and individuals.

### Recommendations and guidance for the teaching of future candidates

- Greater precision in definitions and explanations of concepts
- Greater focus on using context
- Greater focus on the requirements of the mark scheme, particularly for question 5
- Less 'over-preparation' for questions which might be asked.

## Standard level paper one

### Component grade boundaries

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

### General comments

This was the first examination session for the 2016 programme guide, with a slightly different assessment strategy – in particular SLP1 was marked out of 40, and not out of 50 as previously; candidates' performance was however very comparable to previous sessions.

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

As in previous years, marketing (Topic 4 in the Business Management Guide) seemed difficult for many SL candidates.

### Examination technique

Examiners noted two particular problems in many candidates' answers:

- The tendency to answer a question other than the one precisely asked (maybe because of pre-prepared questions and answers), for example Q2c asked about the appropriateness of Henri's leadership style; many candidates wrote very long answers about leadership styles, yet ignoring the focus of the question on whether his paternalistic leadership style was appropriate or not.
- The tendency to just copy the text of the case-study: candidates will not score any mark for just lifting material from the case study – for example for Q1a just writing that the USP of Henri's father is the fact that he provided personal customer service and free delivery to customers is not enough: this is the text of the case study – there needs to be "added value" in the candidate's answer in order to start scoring, not just lifting text from the case study.
- All candidates were able to complete the paper in time. No issue of lack of time was apparent for SL candidates – quite the opposite: many answers seemed written quickly and would have benefited from expansion/development of ideas.
- A very small number of candidates answered three questions from Section A. This is not good practice as it can result in a waste of valuable time; those candidates were awarded the marks for the best two answers.

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

It was particularly good to see that the vast majority of candidates understood the case study well, especially the tension between stakeholders (for example between TM management and the workers,



or between TM and pressure groups). As in previous years, HR was a part of the syllabus that candidates knew well (3a, 3c, 4d).

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

### Question 1

1(a) The answers were disappointing and very few candidates scored 2 marks. Many candidates only copied text from the case study (lines 5-6), repeating what the USP is, whereas the question was about one benefit of the USP. Some other candidates just answered the question “Define the term USP”. The wording of the questions is always very important; candidates should spend time carefully reading the questions and answering what is being asked, not what it may remind them of.

(b) The vast majority of candidates scored 1 mark by referring to a low price strategy (this point was strongly emphasised in the case study), however few candidates linked it to other aspects of TM’s marketing (e.g. to their promotion, to use another P of the marketing mix). Many candidates wrote about lean production methods, just-in-time and outsourcing; it is true that the case study mentions this method (lines 19-20) but again this was not the question.

(c) The quality of answers was very polarised: some students mastered the topic very well (and scored top marks) however many others seemed confused by the notions of internal/external growth – in particular: some candidates thought it was about Human Resources (and wrote about internal promotion of staff vs external appointments of new managers); others thought it was about source of finance (internal: using retained profit; external: borrowing and loans). The 5th paragraph of the case study started with the sentence “TM has used internal growth. TM’s attempts at external growth through franchising were unsuccessful” – many candidates just copied these sentences, or the entire paragraph. Candidates should be reminded that just lifting text from the case study cannot be credited: the exam is not an exercise in finding in the text extracts that correspond to the topic of the question asked.

### Question 2

2(a) Many candidates just copied the aim of TM – which indeed is stated in lines 18-19: “TM’s stated main aim (...) is to have the lowest prices in the market”; these candidates probably interpreted the question as meaning “State the aim of TM”. Many candidates rightfully referred to one of the benefits as being about a sense of direction, a purpose, a strategy. Some candidates showed an erroneous understanding of what an aim is: they wrote about customers knowing that the business offers low prices; this however is about marketing, especially promotion.

(b) This question was overall very well answered, typically about competing with other businesses that already do it, about reaching a wider number of customers (who do not live near TM stores) and about fewer costs (no stores to rent or purchase). As candidates grew up in a world where e-commerce is common, this question did not seem to present any difficulty: candidates showed that they know what e-commerce mean and how beneficial it can be for a business.

(c) With a few exceptions, all candidates correctly identified one internal stakeholder (typically: Henri, the other employees, the shareholders; sometimes: Delphine, the other managers) and were able to write about their interests in the success of TM. The answers were usually good, although a bit too

theoretical sometimes, which is why some candidates, clearly competent and knowledgeable, did not score top marks.

### Question 3

3(a) Most candidates answered correctly, although a small number wrote about the economic conditions in France and clearly misunderstood the question.

(b) The answers were very good overall; most candidates answered correctly; it may be due to the fact that corporate social responsibility is directly linked to one of the 6 concepts underpinning the course (i.e. ethics) and consequently, in their preparation for the Business Management exam, candidates had focused on this.

(c) Examiners were surprised by the high number of candidates who did not answer this question, but a similar one (such as “should TM change its leadership style?” or “should Henri change his leadership style?”). On the one hand, it was good to see that candidates had studied the topic of leadership styles and had some solid knowledge and ideas, but on the other hand, it was unfortunate not to be able to award higher marks, as too many students had not precisely answered the question.

### Question 4 SL only

4(a) Most candidates answered well, however some did not understand the meaning of “liability” in a financial context and wrote about responsibility and accountability in the case of an accident.

(b) Few candidates answered well: many just wrote a paragraph about marketing in general, or about market development. Some candidates just defined market segmentation (and explained how market segmentation may be done, with reference to age or socio-demographics) without any application to the case study.

(c) A formulae sheet is given to students so this should have been very accessible, however some candidates did not do it correctly; some others wrote an answer in “millions” or in “\$” which shows a lack of understanding of what a ratio is.

(d) Answers were very good overall, with many candidates scoring top marks. In particular, it was very good to see that many candidates chose to write about Pink (and did so very well, about the three key ideas of Autonomy, Purpose and Mastery). Taylor, Maslow, Herzberg and Adams were also frequent choices. Overall, the examiners were impressed by the quality of the answers to Q4 (d) – and this has helped many candidates for their overall mark for SLP1, compensating some of the lower marks for Section A.

## Higher level paper two

### Component grade boundaries

<b>Grade:</b>	1	2	3	4	5	6	7
<b>Mark range:</b>	0 - 8	9 - 17	18 - 24	25 - 31	32 - 39	40 - 46	47 - 70

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

The most notable areas were:

- The construction of a fully labelled, with all of the appropriate headings, stock control chart
- The manipulation of the original figures due to late and inaccurate deliveries
- The construction of fully accurate decision tree including labelling and the provision of a key
- The explanation of the advantages and disadvantages of using focus groups
- Understanding of the meaning of intrapreneurship
- Candidates' inability to go beyond the printed materials in the stimuli
- The use of specific, real and relevant examples when the content is used
- The use of specific and real examples when considering the impact of the relevant concepts on the chosen organisation.

Some candidates still find it difficult to be concise when asked to define a term. There is no need for a long elaboration or examples in level one of the command word

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 compared 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 at best.

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 and so on. Just mentioning the name of an organisation cannot qualify as application.

The interpretation of command terms. Some but fewer candidates still produced unbalanced responses for level 3 questions

Many candidates' inability to truly evaluate and substantiate their conclusion is still a major issue. Perhaps inevitably, the ability to evaluate, to meet the expectation of this command word is a good discriminatory factor between candidates.

Many of the candidates' responses lacked true evaluation or substantiation. Forced conclusions were written without much or any substantiation. Judgments provided were all too often based on just a summary of the arguments put forward before without truly weighing up the significance of the arguments. Candidates should prioritize their arguments with justification or substantiation.

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

It was noticeable that more 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.

The number of one sided responses were noticeably lower. Most candidates attempted to provide a balanced response to the question/issue/decision/action that they were asked to judge or evaluate.

More candidates also provided some conclusions.

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

### Question 1

This question was much less popular than question 2. However, many of the candidates who answered this question did rather well. Some candidates, however, demonstrated very little, if any knowledge. Teacher comments on the G2 forms indicated that a small number of teachers expressed surprise that this topic was examined. We would like to emphasise that any topic that is on the syllabus can be examined regardless how often it was examined in the past.

1(a) Most candidates were awarded full marks. Some students had no idea and mentioned price, product etc. Please note that the command word is 'state'. A notable number of students wrote a very long answer with examples and application for one mark only.

(b) Those candidates who were familiar with the topic produced a clear, well labelled chart. Some showed clear understanding but did not produce to scale and some candidates drew the chart monthly. Also, some candidates omitted headings and produced a chart that was not fully labelled. Those candidates were not awarded full marks.

(c) (i) Those candidates who understood the nature of the chart, provided good answers which included the relevant figures. Other candidates just commented on inefficiency, problems with production and so on. These candidates were not awarded full marks.

(c) (ii) Those candidates who understood the nature of the chart, provided a clear answer which included the relevant figures and incorporated the two issues together- late arrival and lower quantity of stock. Other candidates just commented again on inefficiency, problems with production and so on. These candidates were not awarded full marks.

The use of correct figures was expected in both of the questions above for full marks to be achieved.

## Question 2

2(a) A fairly straight forward question, however, one which saw the replication of some common errors as candidates continue to fail to address the issue that where the company name is used in the question then application to the stimulus material is required i.e. in this case reference to soaps/environmental issues. In addition, simple references to the 'internet' were considered too vague unless some further information was offered. A significant minority of candidates suggested conducting surveys, which of course is primary research.

(b) There were some good decision trees produced. Nevertheless the vast majority of candidates, needlessly lost marks by not including a 'key'. Furthermore most candidates failed to recognize that a second decision node (square) was required for Option 2 – this also lost a mark.

(c) As with part a) whilst most candidates recognized that the lack of qualitative data was an issue, almost all failed to provide an application e.g. problems associated with implementing training.

## Question 3

3(a) Most candidates were able to recognize some connection between intrapreneurship and entrepreneurship. However, for full marks the answer required that innovation be developed 'inside' the company as well as some indication of its effect e.g. improved motivation, efficiency, or productivity.

(b) The application required in this question was pretty straight forward – reduced sugar/caffeine and packaging. However the distinction between adaptively and innovatively proved harder with many candidates happily describing adaptively without explaining the meaning innovatively.

(c) The advantages of long distribution channels, was reasonably well understood but the disadvantages when described revealed a poor understanding of the process. Many candidates felt that costs would 'increase' due to all the extra travelling, but ignored the fact that BVC would no longer have the cost of lots of individual deliveries ONLY transport to the wholesaler. Of course, since the cost of the increased transport was now being borne by the wholesaler, then the wholesaler was entitled to charge for this. Hence the unit revenue received from the wholesaler would be less. However for BVC this should be compensated by the increased market reach and greater sales volumes. Of greater difficulty here was the application. Most candidates did poorly on this question with limited mention of either the specific market – teenagers or the lack of control of the marketing message, which is already problematic.

(d) Overall this question drew some positive responses. Nevertheless, candidate's knowledge of guerilla marketing was patchy at best and perhaps needs greater clarification from a teaching perspective. One positive however was that candidates did seem to appreciate the growing importance of social media as a marketing tool. Perhaps most disappointing was that candidates do still not understand the need for more thorough conclusions/judgments. Some were far too short and others made no reference to any previous analysis.

## Question 4

4(a) The marking for this term was rather flexible. We accepted moving Vinn's own capacity as well as the act/decision of sub-contracting as long as the word abroad or overseas was mentioned. It was also

accepted that candidates show understanding of action/decision of changing location/strategy from home to abroad.

Those who comply with the above were awarded full marks. Some candidates produced vague responses or provided examples regarding Vinn. Please note that examples for a level 1 command word are not awarded.

(b) The emphasis was on the use of identical marketing mix globally. Global implications were expected and application to Vinn, to the nature of the product, specific culture issues as mentioned in the stimuli was expected. Most students showed good theoretical understanding of one possible advantage and one possible disadvantage but did not apply them. Just to use the name 'Vinn' did not merit application. Consequently, many candidates, despite theoretical understanding, ended up with one mark per issue.

Moreover, some candidates, despite relevant application, only provided a description rather than explanation of possible benefit or otherwise, hence also ended up with one mark per issue.

Please note that if one advantage/disadvantage is asked for, candidates should not provide more and allocate the precious time appropriately. Some candidates were eager to show their knowledge and provided more advantages/disadvantages than asked for. No extra marks were awarded as there were no marks available.

(c) Most candidates demonstrated a good theoretical understanding of the topic, however most did not apply this understanding to Vinn.

Again, the use of the name 'Vinn' did not merit application. Consequently, many candidates, despite theoretical understanding, ended up with one mark per issue.

Marks were lost due to:

- A notable number of candidates referred to Vinn as a person.
- Some referred to a public limited company as a government run organisation.
- Some candidates referred to Vinn being large, rather than to the expected legal status.

Moreover, some candidates, despite relevant application, only provided a description rather than explanation of possible benefit or otherwise, hence also ended up with one mark per issue

Again, please note that if one advantage/disadvantage is asked for, candidates should not provide more and allocate the time appropriately. Some candidates were eager to show their knowledge and provided more advantages/disadvantages than asked for. No extra marks were awarded.

(d) Most candidates referred to the two strategic options and attempted to provide a balanced response where arguments for and against each option were presented. Also, most candidates referred to the information in the stimulus and provided a conclusion to their response.

However, many candidates just regenerated the relevant issues mentioned in the stimulus without much or any elaboration or explanation that incorporates theoretical understanding in direct application to Vinn. Also, conclusions were largely presented as a summary of points or issues for and against the options without substantiation.

Please note that substantiation of the arguments and the weighing up of the significance of the arguments presented in relation to the organisation can be done throughout the response. However, in this case a short summary would have been more acceptable.

Some candidates recommended a different strategy to be used by Vinn but this wasn't always substantiated. Any different strategy suggested should have been put in relevant context and evaluated otherwise it was judged as unsubstantiated.

## Question 5

5(a) One of the problems with this definition was that many candidates chose to define 'segmentation' which is a process rather than what a market segment is. Whilst a mark was usually given for some understanding, it shows that candidates must read the question carefully.

(b) Many candidates struggled to apply their knowledge to the case. Some candidates also had some strange ideas that focus groups were professional market researchers. For application, simply selecting participants with knowledge of 'first-class flying' would have sufficed. On the negative side many candidates made an issue of not tapping 'other' market segments – but why should they? They are very clear about who their market segment is – it is also unlikely to be their current customer base.

(c) This appeared a relatively simple question but candidates' understanding of Ansoff gave rise to some often very bizarre interpretations e.g. some candidates felt the JJPlus service was an example of all four strategies at the same time. Clearly this was not the case. The correct response was 'Diversification - new market and new product with application reference to first class flights and business/luxury tourists flying to non-European destinations.' An alternative response of product development was also accepted if the candidate accepted that the market was largely the same. In reality however, there is a strong argument to say that this is not the case as the target customers are very different. Whilst an economy passenger might upgrade to business or a business customer to first class, it is highly unlikely that a budget discount passenger would upgrade to first class.

(d) Overall for this question, most candidates made some sensible and balanced arguments. However, top end marks were rare given the comments made in other Section B part d)'s with poor judgement/conclusions. Some candidates demonstrated excellent analysis and clearly understood the demands of the question but just didn't know how to close-out. Teachers should instruct candidates more clearly into the demands of AO3 assessment objectives.

## Questions 6, 7 and 8 comprise the new Section C.

It appears as if most candidates were able to produce an extended response of a reasonable length. The lower quality responses were not due to time pressure but due to lack of understanding of the concepts and poor application.

It was noted that some teachers commented on G2 forms that the questions asked were different to the ones on the TSM. The main issues raised were about the application of one concept on another rather than two concepts on one organisation.

The questions were written with the best intention to help the candidates. Please note that concepts like 'strategy' and 'change' can be attached to just about any content.

## Question 6

Some candidates produced thoughtful, detailed and relevant responses. The request to apply one concept on another, actually enabled those candidates to stay more focused. Please note that strategy can be attached to any part of the syllabus.

Many candidates ignored the question's request to use operations management and largely referred to strategy and in particular marketing strategy.

It was evident that far too many candidates pre prepared a response on how McDonald's or Starbucks adapted their marketing mix abroad regardless. Those candidates did not adhere to the actual question:

- Many candidates did not provide a sound introduction to the concept and to the content. The definition of innovation was often inaccurate. Many referred to innovation simply as the creation of a new product and focused their responses around the marketing mix of large multinational companies like McDonald's or Starbucks.
- A specific selection of a particular operations management was expected. The question allowed each of the candidates to choose any operations management strategy or specific practice that they are familiar with. Many, however, chose marketing or human resource strategies.
- On many occasions, especially when candidates used a pre prepared response, the examples of innovation were irrelevant.
- The adaptation of the marketing mix, especially the products, the use of different advertising in different cultures, changing the structure of an organisation to name just a few examples, cannot be seen or used as innovation. Can offering a veggie burger be seen as innovation? If yes... candidates should have fully argued as to why.
- Some candidates produced an historical review of an organisation with little attention to innovation. Perhaps 30 years ago some techniques were innovative but all too often the connection between innovation and operations management was not made or was not clearly made.
- Many candidates glorified Apple's innovation but did not make any connection to operations management strategy.

## Question 7

In order to answer this question, candidates could have used internal or external culture or both. Any relevant use and application of the concept 'culture' was accepted.

Some candidates produced high quality balanced and well substantiated responses. Those candidates provided clear explanation of the relevant culture and the particular practice of business ethics in a particular organisation in their introduction.

The main weaknesses of the responses were:

- Due to some unfocused, weak definitions of 'culture' as well as 'business ethics', many candidates produced a very descriptive, vague response.
- All too often the exact type of culture was not identified, be it the organization's and/or the national culture.
- Candidates wrote vague comments like 'Org x adapted to the cultures of countries' without providing specific examples as to the specific culture/the nature of adaptation- internal or external. 'Organisation X changed the culture', again, without explaining from which culture to which new culture.



- Common commercial sense on behalf of an organisation was misplaced by being ethical.
- Adherence to the legal framework of the country was also confused with being ethical.
- Adaptation of the marketing mix in order to successfully penetrate a particular country for commercial gain was also confused with being ethical.
- Many candidates did not employ critical thinking on many occasions and praised the organisation.

## Question 8

This question was also marked flexibly. Candidates could have used any type of organizational change. It was expected, however, that the candidates clearly explain their chosen content in terms of change (the concept). It was expected that the connection between globalization and the chosen type of organizational change was clearly explained and applied throughout the response.

When candidates referred to globalization, it was expected that specific examples are used as to specific forces of globalization that impacted on changes that had occurred in organisation X.

Those candidates who followed the above expectations and provided a balanced response which also incorporated the perspective of different stakeholders, were awarded higher marks.

However, the main weakness of the responses were:

- Many candidates did not provide a sound introduction to the concepts and to the content. The definition of globalization was often inaccurate.
- Surprisingly, some of the definitions of 'globalization' were overly simplistic and often did not go beyond a vague sentence like 'when the organization goes aboard'.
- Many candidates did not define/explain the nature or impact of globalization on their chosen organizational changes. Many vague assertions were made without specific and/or relevant examples/application.
- It was evident that far too many candidates pre prepared a response on how McDonald's or Starbucks adapted their marketing mix abroad regardless of the actual question asked. While examiners tried to mark this question flexibly, it was often difficult to see how changing a price of the product in country A or providing a vegetarian meal in country B, can be considered as organizational change. At least those candidates who used such examples, should have explained the nature of the organizational change. Moreover, most assumed that because of globalization specific changes had to occur while it may be argued exactly the opposite. Critical thinking should be applied to the response.

## Additional remarks

### Section C

#### Criterion A

Some good responses were evident where the candidates showed a clear understanding of the concepts and content in term of coverage throughout. However, many candidates provided brief and insufficient description or even a definition of the concepts. The content was all too often superficially described or used.

Vague definition or non- definition and superficial explanation of the relevant concepts often resulted in superficial responses throughout.

To score highly in this criterion candidates were expected to demonstrate a clear understanding of the concepts and the content through clear use and explanation. A concise definition and explanation of the relevant concepts is expected.

Candidates should ensure that their choice of a question is based on sound understanding of the two concepts as well as the content followed by real examples.

## Criterion B

While some candidates applied the required concepts through content to an organisation.

The main limitations were:

- A notable number of candidates did not develop the connection well. Superficial connections were evident. Examples of the concepts through the content were all too often just asserted.
- Candidates were often very vague with their use of the concepts and content. It is expected that real and relevant application is evident when applying to a real organisation. Examples/ application must be real- not theoretical or hypothetical.

For example, it was not sufficient to write:

- 'Org x changed considerably due to globalisation'. It was expected that candidates explain what specifically the changes were. How globalisation drove the specified changes?
- 'The culture of country X impacted considerably on organisation Z's ethics' It was expected that the candidates provide specific explanation as to the used culture as well as provide specific examples of the impact on business ethics.

## Criterion C

The command word in all of the questions in this section is one that is categorised as level 3. Hence examination/discussion/evaluation is always expected in each question.

It is therefore expected that a balanced and justified/well supported/substantiated examples/comments/ impacts/implications are used.

Candidates may evaluate the success or failure of a particular strategy/the significance of the impact of a concept or two on the organisation/the significance of the impact of one concept on another/the impacts on various stakeholders and so on.

Not many candidates were able to reach the top mark. Most ended up with 2 marks due to unbalanced responses. When the answer did not provide counter arguments, it was judged as unjustified/unbalanced. The substantiation/evaluation was lacking in many responses.

Many candidates just praised their chosen organisation throughout. No critical thinking was employed.

A balanced response was the one that provided two relevant and real arguments for and two against.

Those candidates who did not use the two concepts as appeared in the question were able to score up to [3] marks for criterion A, B, and C.

## Criterion D

Generally, candidates scored well for this criterion. Those who lost a mark or two were the candidates who:

- Wrote a very brief introduction without explanation of the concepts and the content to be used and the relevant connection to the organisation.
- Provided irrelevant information about the organization.
- Did not provide conclusions.
- Did not provide fit for purpose paragraphs where one idea is presented in a paragraph.

## Criterion E

Some candidates provided a very thorough and relevant stakeholder's analysis.

On other occasions the application to the various stakeholders was too often 'in passing'. Some candidates did not explicitly refer to stakeholders. Perhaps some implicit impact was deduced.

Please note that:

- Candidates should attempt to choose relevant stakeholders with real application and avoid speculative assertions.
- The application must be relevant to the question in terms of the impact of the concept(s) and the content used. Candidates should avoid assertions like 'the shareholders will be happy' or 'the society will suffer' if no relevant examples used and explanation is provided as to why.
- Candidates are expected to go far beyond just mentioning or stating the stakeholder.
- The impact of the **relevant concepts** via the relevant **content** should be made clear. Candidates should avoid generic application or reference but should provide real and meaningful application of the impact on or the perspective of relevant stakeholders.
- The perspective of, or the impact on different groups of stakeholders can be used as a basis for evaluation.

It was expected that a relevant reference was made to an **individual** as well as to **groups** of stakeholders. The individual chosen (as well the groups) has to be relevant to the question. Just to mention the name of the CEO is not sufficient and was not judged as a consideration of a perspective of an individual.

A balanced response for 4 marks expected, as printed, a relevant reference/application/consideration of the perspectives of both individual(s) and groups. An individual could be an individual consumer or an individual manager. However, this cannot be considered as well within a group of consumers or managers.

## Recommendations and guidance for the teaching of future candidates

### Sections A and B

- Candidates must ensure application throughout apart from when answering level 1 questions.
- If the question asks for one advantage and one disadvantage, candidates should save time and provide the required number only.
- A balanced response must cover at least one issue for and one option against the options provided in the stimulus material.

- Candidates must pay attention to the requirement of level 3 command words and provide substantiated judgments/conclusions.
- A balanced response is one that provides at least two arguments for and two arguments against the option. (This would be 1+1 arguments if there are two options.)
- Candidates should use some issues in the stimuli but expand on the significance of the issues discussed using theories and subject terms in a concise and relevant manner.

### Section C

- Candidates should be prepared, by their teachers, to answer Section C questions by referring to one organisation of their choice.
- Candidates should not rely on pre-prepared answers. It was evident that many centres concentrated on a very few well known multinational companies like Apple, McDonald's and Starbucks. While there is nothing essentially wrong with such a narrow concentration, it was clear to see that candidates who in essence were over prepared, were not able to be flexible and adjust their responses to specific questions.
- Candidates should have a portfolio of organizations as different organizations are likely to be better suited to different questions in term of concepts and perhaps also in terms of content.

## Standard level paper two

### Component grade boundaries

<b>Grade:</b>	1	2	3	4	5	6	7
<b>Mark range:</b>	0 - 4	5 - 9	10 - 14	15 - 20	21 - 26	27 - 32	33 - 50

### 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:

- Balance sheet. 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 balance sheet and in general to produce one properly or with one or two mistakes, or the candidates have only a vague idea. A surprising number of candidates earned 0 marks on question 1(b) (iii). All by itself 0 marks on 1(b) (iii) means that they really had no idea what a balance sheet was and, by implication, did not know break even.
- Candidates choosing to do the break-even question generally earned some marks, at least on 2(b) (ii), the chart. Many candidates did not know how to label correctly the y axis.
- Application to the stimulus. This issue was especially pronounced on questions 4(b), 4(c), and 5(b). Often candidate gave excellent theoretical responses but failed to apply to the stimulus and, thus, they lost marks.

- Section C. This was the first time that the assessment included the concept-based question in Paper 2. 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 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.
  - Another relatively common problem related to, very often, McDonald's. In response to question 7, students argued that McDonald's changing its menu in different cultures was based upon ethics. Such an argument would require stronger explanation than we typically saw, or at least would require an explanation about how the different menus in different cultures is not about marketing.

## 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 break-even or draw a break-even chart, which was often, they earned high marks. The same was true with the balance sheet.
- Many candidates knew outsourcing, variable costs, secondary sources of market research, BCG matrix, the relationship between investment and profit, sources of finance, marketing mix, advantages and disadvantages of a public limited company, reshoring, market segment, focus groups, and the Ansoff matrix.
- Many candidates had an understanding to include "balance" in responses, even if not always fully effective in execution. Nevertheless, from this exam, it would appear as though teachers are preparing students to provide balance.

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

### Question 1

- 1(a) Many candidates could define outsourcing. Some lost one mark for conflation with offshoring.
- (b) (i) Many candidates could calculate gross profit.
- (b) (ii) Many candidates could calculate net profit margin.

(b) (iii) Most, but not all candidates earned at least 1 mark. Many also earned 4 (fully correct balance sheet except it was undated) or 5 marks.

## Question 2

2(a) Many candidates earned 2 marks with almost perfect “text book” definitions.

(b) (i) Many candidates correctly calculated the break-even level of output.

(b) (ii) Rather typical performance on break-even chart. Most candidates earned 1 or 2 marks, and many earned 3 or 4 marks. Failure to label the y axis was a common reason for a loss of 1 mark.

(b) (iii) Many candidates correctly calculated the profit.

## Question 3

3(a) Many candidates satisfactorily could correctly state two secondary sources of market research (some could not). However, many candidates went into long explanations about these sources, which was not necessary. Students are not penalized when they “over-answer” a question, but they punish themselves by using valuable time that should be reserved for the extended response questions.

(b) On the whole, responses to the BCG matrix question were solid, most candidates earning 2 to 4 marks.

(c) Most candidates had some understanding of the relationship. A common issue, which often got students sidetracked, was that they understand investment as something that an individual does (invests in equities, invests in real estate, etc.) and did not fully convey the idea of a company investing in new product lines, R & D, etc., an idea somewhat important if candidates were to apply meaningfully to the stimulus.

(d) Whereas many candidates could name two possible sources of finance, in some cases students did not think very carefully about the relevance of the sources of finance to the specifics of the case, which weakened the meaningfulness of their application to the stimulus. In general, many students knew that they had to “have balance” and explained an advantage and disadvantage of their proposed sources of finance.

## Question 4

4(a) Many candidates could define offshoring. Some lost one mark for conflation with outsourcing.

(b) The major issue on this question was application to the stimulus. Many candidates earned 2 marks rather than 4.

(c) The major issue on this question was application to the stimulus. Many candidates earned 2 marks rather than 4.

(d) Responses generally were sensible. Candidates who understood that the question was asking about two distinct decisions (re-shoring and changing strategic direction) in general scored better than those who conflated the two decisions. In general, many students knew that they had to “have balance” and explained an advantage and disadvantage of each decision.

## Question 5

5(a) Many candidates scored well on this question, but many received only 0 or 1 mark. Sometimes candidates' responses were entirely tautological ("A market segment is a segment of a market"), which received 0 marks. Other times, the candidates chose different wording (conveying the idea of a "part" of a market), which typically earned 1 mark. The second mark was awarded when candidates conveyed a group of people with shared characteristics or needs.

(b) The major issue on this question was application to the stimulus. Many candidates earned 2 marks rather than 4.

(c) Most candidates appeared to know the Ansoff matrix and had some ability to apply it.

(d) Responses varied, but in general candidates had some understanding of how to approach the question. Stronger candidates knew to consider both the merits and demerits of the idea of JJplus. Stronger responses included information on the break-even point.

## 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 students on the concept-based question and expectation, both clear precise meanings of the concepts and clear understandings of the expectations. Some students – including at times students 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 students did not know the requirements of the question.
- Candidates should answer questions directly as asked (and not just regurgitate memorized responses on certain topics).
- Candidates should be reminded that they are expected to know all elements of the course syllabus. 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 students 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