

May 2017 subject reports

Business Management

Overall grade boundaries

Higher level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 12	13 - 26	27 - 37	38 - 48	49 - 58	59 - 68	69 - 100

Standard level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 10	11 - 22	23 - 31	32 - 43	44 - 57	58 - 68	69 - 100

Higher level internal assessment

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	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 third session that the higher level internal assignment has been assessed under the 2016 programme guide. There was evidence that most schools are more aware of the revised requirements for internal assessments, but there was still misunderstanding of some of the assessment criteria that meant students lost unnecessary marks.

Exceeding the word limit for assessments was rare this session, but one of the ways that some candidates met the word count restrictions was to place analysis and tools in the appendices, which is not acceptable. This often happened across centres, so it appears to be a problem with advice from supervisors in these centres. Placing tools, techniques, analysis and evaluation in the appendices is an attempt to avoid the word count restrictions. Only the information in the main body counts 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. 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.

Very few candidates failed to include an action plan within the research proposal, but required sections were absent, or insufficient, in some reports. Other weaknesses related to research questions being overly general with the resulting lack of focus impacting negatively on the overall report. Sometimes, the broad nature of the title made it difficult for the candidate to address the topic adequately within the word limit and, consequently, led to generalisation and a poor structure. At the opposite end of the spectrum, some questions were narrow and/or self-evident and not worthy of investigation. For example, it seems obvious that opening new branches will increase sales revenues. Opening a new branch has costs, so such an investigation may be relevant, but it was not uncommon for costs to be completely ignored. Similarly, possible costs were not considered in the recommendations section.

Those reports that 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 rather 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.

One problem that is emerging in some centres, is that primary data is taking a back seat to secondary research. Secondary data plays an important role in assignments in providing context for the investigation and adding credibility to findings and conclusions. However, the higher level internal assessment was designed to encourage students 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.

In terms of the choice and application of business tools, techniques and theories, this session mirrored those of the previous few years, with a continuing overuse, and inaccurate application, of SWOT, PEST and force field analysis. In some centres, it appears that candidates are being told they should use all three of these tools, irrespective of their importance and relevance to the research question. Although these tools have value, they are not compulsory, and their misuse reduces the marks awarded for several assessment criteria.

For example, a common research topic related to the relocation of business premises or the opening of new branches or retail outlets. These types of investigations could be supported adequately and effectively with financial and costing tools, such as investment appraisal, ratios, financial accounts, cash flow and budgets, but almost inevitably candidates who examined these tended to focus on SWOT and force field analysis without really creating a coherent structure or argument to answer the research question. 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 justified recommendations using their own subjective and unsupported findings.

In session subject reports, it is inevitable that weaknesses are highlighted. However, there were many internal assessments that showed excellent research approaches and techniques, the accurate application of relevant business terminology, tools and theories and exhibited critical thinking and business acumen. Many centres are to be congratulated for the quality of the reports their candidates submitted for assessment. These were testament to exceptional teaching within these centres.

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 on pages 80 and 81 of 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.

In this session, the research questions were variable in quality. While those that described or look backwards were few, there were too many that lacked a clear focus or linked directly to a specific business function, measurable outcome or time period. What was also noticeable in some reports was that the rationale for the investigation did not always relate to the research question except in a broad sense. Vague and expansive research questions tended to result in descriptive and superficial analysis and generalised conclusions.

In general, research projects and action plans 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 a mark. 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.

Few rationales included real data to justify the investigation. For example, candidates frequently referred to problems, such as declining sales or profits, but gave no figures to underpin the magnitude or significance of such declines. In addition, it was not always clear whether the reason for the investigation was the firm's or the candidate's. This was important, because in some cases the student concluded that the firm did not intend to pursue their recommendations, as they never considered these as 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 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 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 some 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 candidate selected 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. 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. This was quite often not the case.

The HLIA is a practical investigation using primary research distinguishing it from the more academic process of writing an extended essay in business management which focuses on secondary research. The purpose of the HLIA is to encourage 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.

There was an unfortunate trend this session for candidates to collect appropriate primary data presented in the appendices, but then not referenced at all in the main body. This was ill-advised, because it was possible that analytical tools, such as SWOT, may have been based on this primary research. However, because there was no direct link between the analysis and the research data, findings in the main body had to be considered to be unsubstantiated. Instead, footnotes or citation tended to be used only for secondary data. Overall, there were too many reports with inadequate referencing and citation.

There were fewer customer surveys than in previous sessions and more interviews of senior management or other employees. A weakness of many of these interviews was that the questions and answers did not always relate directly to the research question and the issue of potential bias was rarely addressed. Thus, presentation of the responses was not completely relevant or employed in the analysis and evaluation section.

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. As in previous sessions some reports relied on a single primary source as the basis of their written report, which significantly reduced the marks awarded for this criterion.

Criterion C: Use of tools, techniques and theories

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

It is understandable that candidates want to 'solve' the practical problems they investigate, but the purpose of the HLIA is to show that candidates can 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 that addressed a business problem, did not necessarily provide the scope for those candidates to show evidence of academic understanding nor allowed for the application of business tools, techniques and theories.

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 appear to be growing rather than diminishing. A SWOT is a situational analysis and may represent a good starting point for an investigation and identification of a future strategy or approach, but it needs to be supported with evidence and data and the entries fully sourced. It is not acceptable for the student to prepare a SWOT from their 'experience' and/or observation. 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.

As in every session, 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 rather than from the external environment. SWOTs were carried out for strategies or policies, rather than organisations. In these cases, the 'SWOT' merely listed the advantages and disadvantages of the strategy or policy, dressed up as SWOT. Advantages and disadvantages provided a perfectly acceptable framework for analysis and evaluation, but could not be rewarded as a business tool, even if the candidate referred to these advantages and disadvantages as a SWOT.

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. In some cases, it appears that centres appear to be doing their candidates a disservice by recommending all reports contain these tools and little else. Indeed, this session, candidates missed the opportunity to use many other relevant tools and techniques.

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 many 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 used 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.

Some candidates struggled to achieve on this criterion, because of the restriction provided by the word count. However, a more fundamental issue was that analysis did not always flow, but instead consisted of a series of discrete tools that were not linked to provide a line of argument to support judgments. This

lack of integration of tools, theories and data, made it difficult for candidates to reach the higher achievement levels.

Weaker candidates did not show the required skills of synthesis and critical thinking. The higher scoring reports showed clearer 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 information collected and already presented in the main results and findings section. Even when relevant business tools and techniques were used, the '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.

Criterion E: Conclusions

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

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 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.

The highest mark band requires the candidate to identify areas for further study where appropriate. There are some research questions that may not require further study. For example, the candidate may be investigating whether a firm should relocate, open a new branch or make a specific investment. In these cases, the conclusion could be the final decision. However, in most cases, the issue under investigation or future decision needed further study to address limitations in the initial research. In these cases, candidates did not achieve the highest mark band without suggesting 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. 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.

Centres quite often awarded full marks for recommendations, which referred to supporting 'findings' in tools and techniques presented in the main body, such as SWOT and force field analysis. However, if these findings or tools were totally the candidate's 'opinion' or were not supported by research data or

sourced, then recommendations were unsubstantiated, being based purely on candidate assertion and so only achieved a single mark.

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.

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 organize their ideas into a structured report with an argument that is easy to follow.

Many candidates achieved the highest mark band by structuring their report effectively and appropriately. However, marks were lost when the analysis and evaluation did not specifically address the research question or where analysis tended to be discrete rather than developing themes or arguments.

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 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.

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.
- 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 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 secondary data does not become the 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 consider whether other business tools and techniques might be more effective to answer the 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.
- 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 submit 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 methodology 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

Grade:	1	2	3	4	5	6	7
Mark range:	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 had 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).

The report for this component is largely similar to that of May 2016, 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.

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 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.

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.

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.

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 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 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 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: this very useful background preparation may be better in appendix. If a SWOT analysis is included, all elements should be appropriately sourced and evidenced. It is not possible to do a SWOT analysis of a theory, 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 (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: Conclusions

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 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 – likewise if there is one comma missing in the third reference in an otherwise perfect bibliography. 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

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 8	9 - 17	18 - 25	26 - 31	32 - 37	38 - 43	44 - 60

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

Some candidates found it difficult answering questions within the context of the business. Candidates also found it difficult to develop ideas in a way that helped them answer the question, often focussing on a slightly different question. There was some evidence that candidates did not analyse the demands of the questions fully (1(b) and 3(b) and answered the question they wanted to answer rather than the question that was set). Too often 'data' was quoted with little relevant development. Some candidates found it difficult to distinguish between leadership and management. Most candidates have not fully understood the marking criteria for question 5 with most candidates overlooking criterion E.

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

Most candidates showed skills with the numerical calculations. Most candidates had sound business knowledge and understanding. Most candidates had a good grasp of the issues facing JAC and Utopia.

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

Question 1

1(a) Most candidates answered this well with customers and suppliers often chosen as the stakeholders. Some candidates confused 'stakeholders' with 'shareholders' who were not allowed as shareholders are not **external** stakeholders. Some candidates confused internal and external stakeholders. A few candidates were unable to contextualise their answers.

1(b) A lot of candidates attempted to answer a slightly different question, which was to analyse Utopia's promotion strategy. The question set was about the 'role' of promotion. The best answers developed the ideas of informing and persuading within the context of Utopia's reliance on word-of-mouth and viral marketing.

Question 2

2(a) Some candidates confused 'internal growth' with 'internal sources of finance'. Contextual ideas that were developed well included John wanting to retain control and reject external influences and the danger of external influences diluting the business model including ethics.

2(b) A surprising number of candidates confused 'management' with 'leadership' and answered a question about John's leadership style. The best answers developed the main functions of management (setting objectives, organising resources, directing and motivating staff, coordinating, controlling and measuring) linking the answers with the roles played by John (and others) in the business.

Question 3

3(a) Candidates in general knew two sources of finance but many had difficulty contextualising their answers.

3(b) The subject of ethics is generally well understood and most candidates were able to extract examples of ethical behaviour from the case material. However, many candidates saw this as an opportunity to analyse/evaluate the ethical behaviour of John's businesses rather than answer the question which was about the role of ethics in the business. The best answers related ethics to the ideas of creating and maintaining brand image, customer loyalty, the goodwill of the community and good relationships with employees.

Question 4

4(a) Most candidates described a lean production method which was usually just-in-time (JIT) but sometimes kaizen and other possible methods.

4(b) Most candidates knew the meaning of 'brand'. Many candidates could describe Utopia's brand. The best answers explained that the brand helped differentiate the business and how it built up consumer awareness and loyalty.

4(c) Many candidates got the correct answer. Some candidates forgot to deduct the initial investment.

4(d) The best answers used the results of the NPV calculation (and some candidates also calculated ARR and Payback) and then linked these in with other information from the case, examining pros and cons. Questioning of assumptions also helped the best answers. To gain full marks candidates had to produce a justified/supported conclusion/recommendation. Weaker answers tended to focus either on the numerical aspects or the qualitative information without synthesis.

Question 5

There was, as expected, a wide range of answers to this question. The best answers systematically explored the range of data and developed ideas that helped them towards a recommendation. In these better answers the decision tree was used not only for its predicted outcomes but also to assess risk and likely outcomes through use of the probabilities. This was particularly convincing when risk was also explored with the use of Ansoff Matrix. Most candidates used most of the data but this was often in terms of simply repeating the information rather than develop it. A variety of 'tools' were employed including PEST/STEEPLE, SWOT and these were rewarded when their use helped to support a recommendation. Very few candidates addressed criterion E, the perspectives of groups and individuals

and many candidates overlooked the need for an introduction, conclusion and fit-for purpose paragraphs for Criterion D.

Recommendations and guidance for the teaching of future candidates

Ideas include:

- Practice contextualising answers
- Practice analysing questions into command word, subject, context
- Addressing the assessment criteria for question 5
- Writing extended answers for question 5
- Supporting judgements/recommendations.

Standard level paper one

Component grade boundaries

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

General comments

Some candidates found it difficult answering questions within the context of the business. Candidates also found it difficult to develop ideas in a way that helped them answer the question, often focussing on a slightly different question. There was some evidence that candidates did not analyse the demands of the questions fully (1(b) and 3(b) and answered the question they wanted to answer rather than the question that was set). Too often 'data' was quoted with little relevant development. Some candidates found it difficult to distinguish between leadership and management. Most candidates have not fully understood the marking criteria for question 5 with most candidates overlooking criterion E.

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

Question 1

1(a) Most candidates answered this well with customers and suppliers often chosen as the stakeholders. Some candidates confused 'stakeholders' with 'shareholders' who were not allowed as shareholders are not **external** stakeholders. Some candidates confused internal and external stakeholders. A few candidates were unable to contextualise their answers.

1(b) A lot of candidates attempted to answer a slightly different question, which was to analyse Utopia's promotion strategy. The question set was about the 'role' of promotion. The best answers developed the ideas of informing and persuading within the context of Utopia's reliance on word-of-mouth and viral marketing.

Question 2

2(a) Some candidates confused 'internal growth' with 'internal sources of finance'. Contextual ideas that were developed well included John wanting to retain control and reject external influences and the danger of external influences diluting the business model including ethics.

2(b) A surprising number of candidates confused 'management' with 'leadership' and answered a question about John's leadership style. The best answers developed the main functions of management (setting objectives, organising resources, directing and motivating staff, coordinating, controlling and measuring) linking the answers with the roles played by John (and others) in the business.

Question 3

3(a) Candidates general knew two sources of finance but many had difficulty contextualising their answers.

3(b) The subject of ethics is generally well understood and most candidates were able to extract examples of ethical behaviour from the case material. However, many candidates saw this as an opportunity to analyse/evaluate the ethical behaviour of John's businesses rather than answer the question which was about the role of ethics in the business. The best answers related ethics to the ideas of creating and maintaining brand image, customer loyalty, the goodwill of the community and good relationships with employees.

Question 4

4(a) Candidates were asked to define the term "variable costs". Many candidates did well, scoring 2 marks with relatively concise answers. Examiners however saw many answers that were too superficial or tautological, such as "variable costs are costs that do not vary" or "variable costs are costs that are not fixed"; this is not enough to fully convey knowledge and understanding.

4(b) Candidates were asked to explain the differences between secondary sector activities and tertiary sector activities. Many candidates misread the question as "define secondary sector and then define primary sector"; few candidates duly wrote about the differences and consequently scored top marks.

4(c) Candidates were asked for two calculations. Most answers were correct; examiners however noted two "typical" errors: firstly, the absence of units for the ARR (i.e. 14 instead of 14%); secondly, the absence of working (i.e. just the final result, although the instructions explicitly stated "show all your working").

4 (d) Candidates were asked to recommend whether Utopia should proceed with the 3D printing project. Many answers were cogent, well-structured and balanced, with a clear recommendation at the end. The best responses referred to information from the case study, from the additional information given and also from the results from 4(c); OFR (Own Figure Rules) was then allowed i.e. candidates could use and interpret their own results (i.e. they were not doubly penalised if their calculations were wrong, for example with a payback period too short or too long). The main weakness in some candidates' answers is the fact that some were solely one-sided: all the arguments were either "for" or "against". For the final question of section B, which assesses A03 command terms such as "discuss", "evaluate" or "recommend", candidates should be reminded of the importance of covering contrasting viewpoints.

Higher level paper two

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	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 calculation of current assets even though the formula was given
- Sound understanding of the meaning of liquidity and the possible factors that affect liquidity
- The meaning or nature of formative appraisal
- Understanding of the meaning of loss leader pricing strategy.

Section C

- 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.

Section A

Some candidates could not cope with quantitative questions and ended up with very few marks overall. However, a pleasing number of candidates were awarded at least 4 marks in section A, and a significant number of candidates performed very well and scored 7 marks or more in this section.

The main weaknesses were due to:

- Some candidates producing lengthy responses for a command term that asks for a straightforward definition or description. There is no need for long elaboration or examples in level one command terms
- A lack of specific application to the stimuli beyond the name of the organisation was still quite noticeable despite comments on this issue in the last two subject reports. In AO2 command term questions many candidates demonstrated very sound theoretical knowledge but still did not go beyond just mentioning the name of the organisation at best. Therefore, as in the past two sessions, when 2 marks were available for an explanation and application of an issue, many candidates were awarded just 1 mark for a relevant issue due to a lack of specific application to the nature of the business, product, industry, the current situation as specified in the stimulus.
- Please note that just to mention the name of the organisation cannot be qualified as application.
- For AO2 command terms, candidates are expected to explain, not just describe, as well as properly apply, to be awarded the full marks available.

The interpretation of command terms

AO3 command term questions:

- Most candidates attempted to provide a balanced response to the question, issue, decision, action that they were asked to judge or evaluate
- Candidates provided conclusions and judgement
- However, a noticeable number of candidates started their responses with a final recommendation or judgment. This practice should not be used
- A noticeable number of candidates still find the evaluation or substantiation of their judgment difficult to handle. 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 were awarded 6 marks for a solid or balanced response that lacks true evaluation or substantiation. Forced or nominal conclusions were often written without much or any substantiation
- Judgments provided were often based on a summary of the arguments used before without weighing up the significance of the arguments which are based on circumstances for the relevant organisation, short term vs. long term relevant impacts, different impacts on different stakeholders. As noted in previous reports, candidates should prioritize their arguments with justification or substantiation.
- A substantiated conclusion or recommendation must be based on a secure analysis.
- If a candidate proposed a different strategy or course of action in the conclusion, this option or recommendation should be supported or substantiated to be credited. Too often candidates came up with a new option or strategy that was not considered in their discussion. Some candidates produced generic recommendations without providing support or substantiation for the issues they were discussing and judging
- Some candidates repeated the stimulus without further expansion and elaboration regarding the exact effects or impact of their chosen arguments on the specific organisation or stakeholders in the stimulus.
- Some of the expansion should include the effects, impacts or significance of the issues discussed using theories and the subject terms in a concise and relevant manner.

Given the above, the top mark band was not accessed by most of the candidates. However, those candidates who provided a balanced response weighing up the significance of the arguments in a mature, professional manner to arrive at a well- supported substantiated judgment, were awarded 7-10 marks.

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

As in recent sessions it was noticeable that more candidates did not exceed the requirement of the command words.

Many candidates showed good theoretical knowledge.

Candidates that produced very sound theoretical answers with specific application to the case were able to reach the top band.

Many candidates attempted to finish off their responses to AO3 level questions with conclusions and some judgment.

More specifically:

It was pleasing to see that many candidates fully understood and were able to apply Pink's' theory of motivation. This topic was tested for the first time in this examination session. Some candidates demonstrated a solid and mature approach when answering the extended response questions.

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

Question 1

1(a) Many candidates confused the role of a wholesaler with that of bulk retailers e.g. Costco in the US, and hence believe it is the role of a wholesaler to sell in bulk. Even if this is true, such a wholesaler cannot do this profitably unless it first buys in bulk, to enjoy purchasing economies of scale, and then breaks bulk to the next level of buyers.

1(b)(i) Many candidates found this question a straightforward calculation. However, a few candidates tried to apply a strict interpretation of the formula and tried to calculate the 'average stock'. Without the opening balance for 2015 this is not possible. Therefore, from a teaching perspective students should assume that if such an opening balance is not given then they should assume that all stock values are an average. Had the question asked for the 2016 stock turnover then the average stock could have been calculated, and would have been expected.

The question specifically asked for the stock turnover in days and a large number of candidates lost a mark for not stating 'days' [days only needed to be in some part of the calculation, not necessarily at the end – so candidates who reproduced the formula (including 'days') still got full marks.

1(b)(ii) Candidates had problems with this question. Whereas parts i) and iii) simply required candidates to pick the required numbers and apply to the formula, in this question, candidates had to arrive at the inputs by adding together several numbers. This required a basic understanding of what items make up 'current assets' and 'current liabilities', and clearly many (the vast majority) did not know this. This is somewhat disappointing given that it is a fundamental part of 'final accounts 3.4 and 'profitability and liquidity ratio analysis', 3.5. This lack of understanding became further apparent in part c) (see later)

1(b)(iii) As in part i) application to the formula was quite straight forward – once again omission of 'days' prevented full marks from being achieved.

1(c) This was a straightforward question asking candidates to comment on the change in liquidity. As alluded to above, the vast majority of candidates could not understand this, and many proceeded to write long explanations about changes in profitability, stock turnover etc. As the syllabus makes quite clear, ratios fall into three distinct groups, profitability, liquidity and efficiency. Only 2 liquidity ratios are present therefore there should have been no reason to refer to any other ratios or figures. It was simply necessary to state the liquidity had increased – nothing more. For application, candidates were required to refer to any of the underlying figures supporting the increase in liquidity, namely the increase in debtors or the increase in stock. It was apparent that many candidates wrongly interpreted a reduction in cash as a reduction in liquidity, which in this case was not correct. Also many candidates seemed to

think that if ratios were not in the 'ideal' range, then somehow this was very bad. Teachers should note that 'ideal ranges' for ratios are essentially 'relative' and what is good for one industry may not be good for another. Students therefore should not be encouraged to view these ratio ranges in 'absolute' terms.

Question 2

2(a) Most candidates were able to answer this question well. Those candidates awarded 1 mark only listed or outlined a potentially relevant disadvantage but did not describe the disadvantage.

2(b) Many candidates produced a clear and correct responses with full working shown. However, a noticeable number of candidates just calculated the depreciation allowance. Some calculated the net book value for 2016 rather than 2017.

2(c) Few candidates were awarded full marks. Some candidates produced a clear calculation of both the depreciation allowance and the final net book value for each year. Some candidates who opted for this question did not show all of their working or stopped at 2016. A number of candidates continued beyond the request of the question to stop at 2017 and some candidates had no idea how to use any of the depreciation methods, yet opted for Q2.

2(d) A significant number of candidates were not awarded full marks due to not specifically referring to the advantage of the method in relation to GD. Otherwise, most candidates provided a relevant theoretical advantage. Some referred to a disadvantage.

Question 3

3(a) This question was largely well answered. However, some candidates referred to *HS* as a public organisation and consequently assumed that one possible objective was to help customers to budget.

3(b) Some good and applicable responses were evident. However, many candidates lost marks mainly due to a lack of application, and the description rather than the explanation of a specific characteristic. For example, it was not sufficient to write that an intrapreneur is a risk taker. It was expected that the candidates explain that no personal risk or own capital risk is involved.

3(c) It was very disappointing to see that the majority of candidates did not produce relevant and accurate responses. All too often zero marks were awarded. This topic was tested for the first time during this examination session. Candidates referred to formal appraisal, informative appraisal or just appraisal.

Only a small number of candidates demonstrated understanding of the continuous, ongoing, constant nature of the appraisal process and the nature of the process in order to identify strengths and weaknesses regularly and to take action.

Needless to say that candidates who did not understand the nature of formative as opposed to the summative appraisal process, did not apply the stimulus well.

3(d) Many candidates demonstrated a good understanding the suggested options that *HS* can use. It was pleasing to see candidates present balanced responses which applied the stimulus. Nevertheless, a significant number of candidates were not able to reach the two highest markbands due to:

- Repeating the same information from the stimulus with little or often no full explanation as to why the arguments are a positive or negative argument.

- Not going beyond the ideas or information presented in the stimulus.
- A nominal conclusion presented as a summary of points or issues for and against the methods without substantiation

Please note that substantiation of the arguments and the significance of the arguments presented in relation to the organisation, different stakeholders, short term impact as opposed to the long term impact should be evident throughout the response or towards the end.

Question 4

4(a) Most candidates were awarded at least 1 mark. Some candidates produced descriptions that could fit the definition of a market segment.

Examples were not credited.

4(b) Nearly all candidates showed a good theoretical understanding of the advantages and the disadvantages of using secondary market research. This was pleasing. However, a significant number of candidates did not appropriately apply arguments to SV.

Writing the name of the organisation SV, was not considered as application. Consequently 1 mark per issue was lost despite clear and relevant explanation. Some candidates lost 1 mark for a descriptive response despite application.

The candidates who were awarded full marks were those who clearly explained the nature of secondary market research followed by a clear explanation of one relevant advantage/disadvantage which is applicable to SV in terms of the type of product, the industry, the positioning and more importantly what the research was for.

4(c) It was disappointing that most candidates did not pay attention to the question. It was expected that candidates would suggest pricing strategies that are suitable for a highly competitive market. Moreover, a full explanation of the nature of the strategy and ways in which it is suitable for SV was expected.

The main issues/limitations were:

- Some candidates did not refer to an exact name of possible pricing strategies. Some wrote increase price or reduce price as a strategy.
- Inappropriate pricing strategies were suggested e.g. premium price or price skimming.
- Even when the suggested pricing strategy could have been appropriate, many candidates did not explain the nature of the strategy or did not properly apply it to SV.
- Some candidates referred to a potentially relevant strategy but the explanation was wrong. The most notable confusion was about 'loss leader'. Some confused price skimming with price penetration. Most candidates did not show an understanding that price skimming or penetration pricing is applicable to new products or new markets.
- Some candidates attempted to balance their suggested pricing strategy by arguing for and against. For [2] marks per strategy, candidates should save valuable time.

4(d) Most candidates were familiar with the theoretical arguments for and against the use of e-commerce and the use of a wholesaler. The candidates who expanded on the theoretical arguments and went beyond just the printed information in the stimulus were able to provide a better response.

Better still, those candidates who followed the points above and ended with a substantiated judgment achieved the top two mark bands.

However, the main weaknesses were:

- Some candidates repeated some relevant issues from the case without explanation and elaboration, just stating that this issue or point is an advantage or otherwise. Their responses were very descriptive and lacked depth.
- Some candidates produced a one-sided response for each option.
- Some candidates were keen to show theoretical knowledge but did not apply it to the question.
- Some candidates responded that *SV* does not have to worry about distribution or that it is a zero channel option. However, this overlooked how the wine will be distributed if *SV* chose e-commerce.
- Some candidates ended responses with a conclusion and judgment, however the judgment was not substantiated. See general comments on conclusions and judgment.

Question 5

5(a) This question was well answered. However, some candidates discussed the organisational structure associated with a particular style of leadership. As in previous questions students should be encouraged not to look at these structures in absolute terms. A flat or decentralised structure may well give the opportunity for more democratic leadership but it is not always the case. Many other factors come into play, such as, the type of industry, size of the company, prevailing internal culture etc.

5(b) The main area of difficulty for candidates lay in applying the Purpose element of Pink's theory. Purpose in any job role is suggestive of something bigger than self and the immediate surroundings, namely something external. In this question's context therefore, some reference to the clients (external) and what the programmers were achieving for them, was necessary for the full marks.

5(c) The main reason was diversification of risk. Application was expected to identify that *Gen Y* had only one revenue stream or that this was unprofitable, hence the need to find more profitable streams. Some credit was given to the fact that additional revenue might protect the jobs of those currently employed as it helped to offset fixed overheads.

5(d) Unlike the previous Section B questions, this question did not have 2 options to compare but needed to weigh up the advantages and disadvantages of a single decision. With a decision to sell came several preconditions set by Petra. Whilst many candidates discussed the advantages and disadvantages in a generic manner very few explicitly addressed the conditions that Petra was setting. Obviously, these conditions only had relevance in the event that Dan sells his shares so it might be expected that this side of the argument be perhaps longer than the other. Candidates were not expected to discuss the reasons behind Petra wanting to invest, however it was a reasonable assumption that Petra would wish for a financial return on her investment and therefore the question of profitability needed to be addressed. As in previous questions, substantiated judgments were lacking and therefore candidates rarely achieved level 4 or 5 of the markband for this question.

Section C.

The range of performance varied considerably in this section. It was pleasing to see that compared with the May 16 session, more candidates produced relevant and focused responses.

However lower quality responses were evident due to a lack of understanding of the concepts and limited application.

The main weaknesses were:

- Pre-prepared responses limited candidates' ability to adapt to the specific requirements of section C questions. Centres concentrated on a few well known multinational corporations such as Apple, Google, McDonalds and Starbucks. Consequently, candidates were unable to be flexible and many similar responses were evident.
- Candidates overlooked the importance of content. Too often content was asserted if not overlooked rather than explained and applied.
- Lack of evaluation - Criterion C. Too many one-sided responses were apparent and even if candidates attempted to provide balanced analysis, the balance was all too often hypothetical rather than substantiated with real examples, impact or consequences examined.
- Lack of direct and relevant application to various stakeholders. The impact of concept X on various stakeholders was only implied. Some stakeholders, potentially relevant ones, were discussed but the application was not relevant to the question or concept used.
- Few candidates used more than one organisation. Candidates were not penalised if two organisations were used provided the content was relevant. However, given the printed criteria, there is no scope to reward or penalize candidates who used more than one organisation. By spreading the content in terms of breadth, candidates reduced the depth of some arguments.
- Use of a fictitious organisation was heavily penalised as the exam rubric clearly indicates that the use of such organisation is not allowed.

Question 6

Strong, relevant and well balanced responses were evident. However, a more significant number of candidates referred to globalization as organization X expanding abroad. More importantly, the concept innovation was used too loosely. Candidates used examples of changing products, colour, taste, type of meat rather than referring to a real innovation of product and or process.

Weaknesses included:

- Pre-prepared answers on multinational corporations without being able to adapt to the question posed.
- No definition of the concepts or an introduction. Superficial responses that covered product adaptation rather than innovation.
- Some candidates did not refer to the impact of globalization on innovation but treated the two concepts separately.

Question 7

Some candidates produced good, relevant responses with illustrative examples that answered the question.

The main weakness was a lack of focus on organizational strategy. Many candidates did not provide a sound introduction to the concepts and to the content and as in the previous session, common commercial sense on behalf of an organisation and adherence to the legal framework of a country was misunderstood as being ethical.

Unbalanced responses and a lack of critical thinking were evident in responses.

Question 8

Many candidates used pre-prepared responses on how McDonalds, Starbucks, or Nike adapted their marketing mix to suit different cultures.

It was expected that candidates clearly explain their chosen content in terms of change (the concept). Candidates could have used any type of organisational change. It was expected that the connection between culture and the chosen type of organisational change be clearly explained and applied throughout the response.

Many candidates inserted the term 'culture' throughout often using assertions of different cultures around the world. The exact type of cultures- be it organisational or national were often not classified or explained.

Often the change referred to was not well explained or used in terms of content. Also, some candidates did not understand the word inhibit. Promote and inhibit were often used together for the same examples.

General guidance on applying Criterion E: Individuals and societies

- 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 are used and explanations provided.
- Candidates are expected to go 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 and reference but should provide real and meaningful application of the impact from the perspective of relevant stakeholders and this perspective can be used as a basis for evaluation.

It was expected that a balanced reference was made to an individual as well as to groups of stakeholders. The individual chosen (as well the groups) must 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.

General recommendations for Section C:

- Be focused. Read the questions carefully before making a choice. Do not divert from the exact

questions.

- Start with clear explanation of the relevant concepts and how they can generally be applied to the required content. Put the organisation in context. Avoid a long or historical review of your chosen organisation. Be concise and introduce only relevant information.
- Set the scene in the introduction.
- 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 real impact on your chosen stakeholders and their perspectives.
- Do not incorporate more concepts than the ones you are asked to discuss.
- Provide a short summary and a final judgment of the impact of or whatever you were asked to examine.
- Candidates should have a portfolio of organisations as different organisation are likely to be better suited to different questions in term of concepts and in terms of content.

Recommendations and guidance for the teaching of future candidates

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

Allow candidates opportunities to demonstrate critical thinking. Any recommendations or judgment will be accepted in the exam provided it is substantiated.

Standard level paper two

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 5	6 - 10	11 - 13	14 - 19	20 - 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:

- 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.
- Application to the stimulus. This issue was especially pronounced on questions 3(b) and 4(b). Often candidate gave excellent theoretical responses but failed to apply to the stimulus and, thus, they lost marks.
- 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.
- Another relatively common problem related to, very often, McDonald's. In response to question seven, students argued that McDonald's changing its menu in different cultures was based upon ethics. Such an argument would require stronger explanation that we typically saw, or at least would require an explanation about how the fact of 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 a profit and loss account or cash flow, which was often, they earned high marks. Questions 3(b)(ii) and 3(b)(iii) were new types of questions for SLP2, and most candidates handled them well.
- Many candidates knew types of financing, stages in recruitment, and features of an autocratic leadership style. Many candidates also knew advantages and disadvantages of secondary sources of market research, though application to the stimulus was often absent.
- Many candidates had a solid understanding of the ideas of Daniel Pink.

Many candidates had an understanding to include “balance” in responses to ten-mark question, even if candidates were 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) Responses varied. Some students had no understanding, some partial, and some gave strong definitions

1(b)(i) Many students attempting this question produced correct answers.

1(b)(ii) Most students who answered question 1 (b) (i) correctly also were able to produce accurate profit and loss accounts.

1(c) Most students attempting this question answered it correctly.

Question 2

2(a) Some students identified inappropriate sources of finance (for which they received no marks), even though it did indicate that they understood the concept of a source of finance. Many students could identify at least one appropriate source of finance.

2(b) As noted above, though marks varied, they tended to cluster, with students producing very good cash flows or having little to no idea of what one was.

2(c) The quality of responses varied, though most students received at least one or two marks.

Question 3

3(a) Many candidates could identify two common steps in recruitment. Students often wrote more than they need to. A few students misunderstood the question and outlined two ways that a business can attract new employees and suggested such things as competitive wages and job enrichment. These responses were not answering the question.

3(b)(i) Many students could offer one disadvantage with explanation and application. Some struggled to have a second disadvantage with application.

3(b)(ii) Many students correctly answered this question.

3(b)(iii) Many students could answer this question as well, though probably fewer than could answer 3(b)(ii).

3(d) Compared to the responses to 4(d) and 5(d), responses to 3(d) often had less balance. Students clearly saw outsourcing as the source of Dales' problems and argued to end outsourcing. Balance was possible, however, and some students achieved it.

Question 4

4(a) Many responses earned one mark but relatively few earned two marks. Many candidates' responses hewed toward a target market or market segment rather than a niche market.

4(b) Most candidates knew one advantage and one disadvantage, but many did not apply to the stimulus.

4(c) Most students could name two pricing strategies, but often then were not appropriate to the context or were not explained and/or applied.

4(d) Responses varied, as is to be expected, but on balance were rather good. Some students did not really know what a wholesaler is, which weakened their responses. Many candidates seemed to know what to do: consider both options with balance.

Question 5

5(a) Many students could identify two features of an autocratic leadership style.

5(b) Many students could name the three key ideas in Pink's motivation theory and many applied it well.

5(c) Many students could have been more precise in their response. Many students received one mark and some earned two.

5(d) Responses varied, as is to be expected, but on balance were rather good.

Question 6

A surprising number of students had a misunderstanding of what globalization is and argued that globalization is when a company become a multinational organization or a global company. Some candidates used innovation imprecisely. Something is an innovation when it is original and has value. Many candidates were considering any change as an innovation.

Question 7

Most candidates had at least some understanding of ethics and some understanding of strategy. Where a few veered off track was when they made a judgment about the morality of a company's actions rather than tying ethics to strategy.

Question 8

Candidates seemed to have some understanding of both concepts.

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 how they will be marked. 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