

November 2016 subject reports

Business Management

Overall grade boundaries

Higher level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 13	14 - 27	28 - 38	39 - 48	49 - 58	59 - 69	70 - 100

Standard level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 14	15 - 28	29 - 40	41 - 52	53 - 63	64 - 75	76 - 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 first November session that the higher level internal assignment has been assessed under the 2016 programme guide. Many of the issues associated with the May session were replicated in this session. Although the basic task for the HLIA has not changed, the assessment criteria have. Some of the changes are quite subtle, but are nonetheless significant. It was evident that for this session, some candidates and teachers had misinterpreted a number of the assessment criteria and there was an

assumption at times that the new criteria were no different from those in the previous programme guide, which is not the case. It is important for both the May and November sessions for teachers to reflect on the criterion specific feedback in this report. In terms of the strengths and weaknesses of the internal assessment, and in the application of the assessment criteria.

The majority of assessments were within the word limits for the report and the research proposal, but a minority exceeded both. 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 are 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 HLIA requires that students plan for their investigation using a research proposal and action plan. There were a few problems in this session of candidates integrating the research proposal within the main report. This does not comply with the requirements for the HLIA and unless there is a separate research proposal before the main report, no marks can be awarded for Criterion A. Although the absence of a research proposal and action plan was uncommon, 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.

As in the May session, the majority of projects investigated softer subjects, such as marketing and human resource management issues, but there was also an increase in research questions that did not fit clearly into a single functional area. This was unwise as the lack of focus made the research and structure difficult and the report unmanageable within the word limit. There were also a few reports at the other end of the spectrum where the issue under investigation was inconsequential, simplistic and/or the conclusions self-evident.

Moderators continue to report on the paucity of the business tools, techniques and theories used, and applied, in internal assessments. It is clear that some centres appear to be advising students to apply the same tools and techniques irrespective of their significance to the topics under investigation. It is a mantra of these session reports to observe that the routine use of SWOT, PEST and force field analysis is not always beneficial, especially where candidates do not fully understand these tools and do not use them to answer the research question. Clearly, these tools and techniques are valuable when they are relevant to the process of analysis and evaluation and support the development of an argument related to the investigation. SWOTs were frequently simply the opinion of the candidate without adequate referencing, evidence, data or structure. There were many examples of SWOTs that were not SWOTs at all; merely advantages and disadvantages of a proposed strategy or decision. Entries were often placed in incorrect segments in both SWOT and PEST and the weights in force field analysis were frequently unsubstantiated or even missing. Candidates then went on to justify recommendations using these subjective and unsupported 'findings'.

Teachers need to be aware that there are risks with all students in a centre presenting the same style topics for assessment with similar titles and theoretical applications. For some candidates, this approach can be detrimental, because the organisation they are working with may not have the same issues or problems and consequently lack the quality research data to support an investigation. In addition, there could be questions asked about the independence of each of the candidate's assignments. Teachers play an important role in guiding and advising their students, but should not impose a uniform approach on an entire cohort.

As in May, there were too many examples of candidates attempting to avoid the word count restrictions, by placing tools and techniques in the appendices, such as PEST and SWOT, 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 and even additional citation there. Only the information in the main body can 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.

Inevitably, session reports identify the problems and weaknesses of internal assessment, as this feedback is important to provide support and recommendations for future sessions. However, it is also important to congratulate the majority of candidates and centres for the quality of the work presented and for the hard work that underpinned the reports presented for assessment. There is little doubt that for many candidates, the process of applying the theory learned in the classroom was extremely beneficial, and that the recommendations presented to the supporting organisations were both practical and informative.

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. This is also relevant for assessment criterion H. It is a very important document in that it focuses on the reason for the investigation, the theoretical framework and the research methodology. The tenses used throughout the research proposal should reflect the fact that it is the primary planning document and not an abstract or executive summary of what was done during the investigation.

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 that seriously undermined the ability of candidates to produce effective reports.

For the most part, research projects and action plans in the November session included the required elements. Few candidates achieved less than two marks. However, there were weakness with candidates omitting required sections or content from the required four components identified on pages 80 and 81 of the programme guide. Rationales are always problematic, because some students interpret this as an opportunity to explain their own personal interest in the subject matter or the organisation, especially a family business. This was the case in this session as well. The rationale in the research proposal should be a business rationale, explaining how the investigation will address identified issues or problems or support future decisions. Many students appropriately identified changes in the business environment, such as new technology or competition, as the rationale for their investigation or referred to include some firm related weakness, such as reduced sales and/or profits, lower productivity or worrying staff turnover. However, it was uncommon for students to indicate the quantitative nature of these issues.

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. Including an amendment column is recommended. Many candidates made such amendments.

Criterion B: Sources and data

The 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. It is not acceptable, therefore, for students to undertake a pure field research, or to only collect primary data from customers using surveys or questionnaires. There were several examples where the only contact a candidate had with a firm was through a vague survey of its customers.

Criterion B assesses the extent to which the candidate selects primary sources and collects data that 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 of 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.

The main focus of the HLIA is the collection of primary data through links with a selected organisation. Criterion B rewards the selection of these primary sources. Where candidates selected only one primary source, they only achieved a single mark for this criterion, even when they supported this with extensive secondary data.

As in the May session many reports did not gather sufficient data to support the conclusions or judgments made. The data collected was frequently insufficient when based on questionnaires, with small, and unrepresentative samples sizes or purely on interviews with senior managers of the firm. It was not uncommon for the questions asked in the questionnaire or survey to have little relevance to the research question.

Data gathered from primary sources was not always checked against available secondary data. Over recent sessions, it has also become increasingly rare for candidates to consider the selection and reliability of their sample or identify their sample frame, which is a shame as this provides an opportunity for deeper analysis and evaluation as well as for the reflection on the approach taken to research required for Criterion I. 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.

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.

The HLIA requires a careful balance between preparing a practical report and satisfying the requirement to show the candidate is able to gather data and use appropriate business theories, techniques and tools to make sense of this data, in the context of real business. Those investigating family businesses sometimes erred on the side of the practical rather than applying business theory, tools and techniques and showing evidence of academic understanding.

Every session for several years, the session report has commented on the inaccurate use, and overuse of SWOT analysis. The fact that candidates seem to believe that a SWOT must be included in every HLIA is frustrating. Weaker assignments rely almost entirely on poor SWOT and PEST analyses and

fail to recognise the connections between the two and the resultant strategic opportunities. A SWOT analysis needs to be supported with evidence and data with the entries fully sourced. It is not acceptable for the candidate to 'make up' their SWOT from their 'experience' and/or 'observation'. As in previous sessions, far 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 is a useful tool in that it examines the strengths and weaknesses of a proposed change and supports a balanced and thoughtful decision. The tool is increasingly popular and, has become the third tool to be used with PEST and SWOT analysis by students. Indeed, there were examples of all candidates in a centre using the tool. Again, there is a risk that the routine use of force field analysis is at the expense of using more relevant tools and techniques that better address the research question. In addition, 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, without any real evidence to justify the weight selected.

It is disappointing that so many HL tools and techniques are being ignored by candidates, especially those tools that provide more quantitative evidence and greater validity and reliability. Few candidates applied ratio analysis effectively or employed investment appraisal techniques accurately. Those that did often produced far better reports. Almost entirely missing were cash flows, break-even analysis, BCG matrices and product life cycles.

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.

Few candidates genuinely evaluated. Students tended to describe the results collected from their research and the information in their SWOT and PEST analyses. There was often little effort to try to link data collected to business theories and to evaluate context to yield a final evaluation linked to the research question. 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.

Candidates who were able to synthesise their findings and to apply relevant tools, theories and techniques to underpin their judgments scored well. The best assignments showed clear evidence of critical thinking based in the application of business tools and techniques to research findings to produce a coherent line of argument and to make substantiated conclusions.

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.

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. Other limitations were the lack of development of conclusions and the failure to align conclusions to the analysis presented in the main body of the report.

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 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 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 and also for teachers moderating reports. 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. This includes acknowledgements. 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.
- Do not investigate simplistic and self-evident research questions.
- 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.
- Link conclusions and recommendations and ensure that these address the research question.
- Suggest areas for further study.
- 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

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 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 should 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 for scoring 2: if the presentation is absolutely fine but the fifth supporting documents 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

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 9	10 - 19	20 - 25	26 - 31	32 - 37	38 - 43	44 - 60

General comments

The number of candidates taking HLP1 was considerably higher than in previous November sessions. Performance in this session reflected the change in the cohort with far more new centres. Candidates generally found the paper and the questions accessible and generally responded well to the stimulus material. With the new format (from May 2016) candidates have far less opportunity to 'question spot' from the pre-release material and, thus, there was far less evidence of poor performance resulting from providing pre-prepared answers to questions other than those intended by the examiners.

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

Examination technique

As mentioned in the report for M16, many candidates are not familiar with the assessment criteria for Question 5. Candidates should know how to write an extended response and to incorporate the various features that are rewarded including consideration of groups and individuals, application of relevant theories and ideas and strong use of the case material.

Weaker candidates tend to write 'textbook answers' rather than applying the stimulus material to their answers. The case material has been available for sufficient time so that the candidates should be able to engage with the case material when answering questions. The additional stimulus material provided is directly related to the section B and C questions and should be used.

A few candidates displayed poor time management skills, leaving insufficient time for the higher mark questions.

Subject knowledge

Some candidates showed limited knowledge of marketing plans, lean production and recruitment processes. In many topics, some students showed a lack of precision in that knowledge and understanding.

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

Subject knowledge

Most candidates have good general knowledge and understanding of the subject across a range of issues. Human resource issues are generally well understood and applied, and the question on sources of finance was often done well.

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

Question 1

Most candidates chose question 1.

- (a) Most candidates identified two steps but fewer candidates related these steps to *Medimatters*. Some candidates chose steps that were difficult to distinguish because the descriptions were weak.
- (b) Candidates generally were able to identify sources of finance and many of these could explain advantages and disadvantages of each one. Fewer were able to relate these sources to *Medimatters*. Good candidates ruled out the sources applicable to well established incorporated businesses such as becoming a public limited company or issuing debentures. Better answers recognised government grants as being highly suitable for a product/service

that could have considerable health benefits to the nation. Astute candidates related this point to the Zika virus in Brazil. A large number of candidates ignored the fact that the decision had already been taken to be a private limited company. Many candidates mentioned 'business angles' rather than 'business angels'.

Question 2

Many candidates answered question 2.

- (a) Some candidates displayed limited knowledge of marketing plans. Other candidates identified features of marketing plans but needed to relate these features to *Medimatters*.
- (b) A significant number of candidates answered the question 'how should *Medimatters* promote the IBAT?' rather than addressing the factors influencing the decision. Good candidates addressed the question that had been set. They not only identified factors but also linked the factors to the situation relevant to *Medimatters*. Of particular relevance to this question is the diverse nature of the two potential markets – the general public and the medical profession.

Question 3

Fewer candidates answered this question.

- (a) Good candidates related features of batch production to the need to make different lenses for each type of smart phone and that the market is probably not large enough for mass production. Generally, explanations lacked a clear sense of precision.
- (b) A significant number of candidates answered the related question of the benefits of outsourcing, ignoring the reference to the app. Good answers distinguished between the two operations. The first is largely outside the control of *Medimatters*, the second is fully in its control. The first requires detailed specifications and contracts, the second can be a lot less formal.

Question 4

- (a) Many candidates could define lean production in terms of minimising waste and maintaining quality. A few candidates seemed unaware of lean production as a topic.
- (b) Many candidates identified steps in the recruitment process but these were not always applied to *Medimatters*. Of relevance are the qualifications required and the role to be filled. Training is not really part of the recruitment process as it takes place after recruitment.
- (c) (i) Most candidates completed the calculations correctly.
- (c) (ii) Many candidates made simple comments such as 'it is more expensive to buy than to make'. Better candidates developed this idea such as observing that the difference is small, or that they have no experience of making, or that the figures are only estimates. 'Own figure rule' interpretations were allowed in this answer.
- (d) 10 mark questions are worded to expect the demonstration of evaluation skills. In this case candidates were expected to make a recommendation. Many candidates reviewed the stimulus material (the case and the additional material) to analyse Ahmed's leadership style. Although this provided a good foundation to answer the question it could only be part of the process. Good candidates used an assessment of Ahmed's leadership and the *Medimatters*'s situation to recommend and appropriately justify a leadership style. This was usually 'situational' but other styles were effectively argued.

Question 5

The case material and additional information provided a large amount of material for answering this question. Good candidates considered the range of issues to analyse the two options and then to recommend an option that was justified by the earlier analysis. Many candidates calculated the predicted return from the decision tree and used this in their analysis. Strong candidates recognised that the data in the decision tree also had useful information and they used this data to effectively analyse risk and reward which they could add to the analysis of the wider issues. The best candidates produced an extended response that flowed well and then provided a convincing recommendation based on strong and broad, in-depth analysis. Weaker candidates tended to make assertions that were not based on evidence or analysis. Weaker candidates also generally had poor extended response writing skills. It is important to have a logical flow of arguments as well as an introduction, conclusion, fit for purpose paragraphs. Candidates need to develop their answers so that the themes of groups and individuals explicitly impinge on their answers. In this case there were a number of individuals (particularly Ahmed) and groups including customers, medical professionals and so on.

Recommendations and guidance for the teaching of future candidates

- Greater precision in definitions and concepts.
- Practice in the lower mark questions.
- Ensure candidates have greater awareness of how higher mark questions are marked, particularly in relation to Question 5.
- Less question spotting from the pre-release material.
- Using the pre-issue material so that candidates are fully engaged with the business and its stakeholders, being able to face management issues that exist and might arise.
- Research issues related to the pre-release material.
- Practice writing extended responses.

Standard level paper one

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 6	7 - 12	13 - 19	20 - 23	24 - 26	27 - 30	31 - 40

General comments

Candidates generally found the paper and the questions accessible and generally responded well to the stimulus material. As in previous years, the main reason why SLP1 candidates underperformed seems to be the fact that they did not answer the questions asked, but wrote pre-prepared answers (especially to Q4d worth 10 marks).

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

Examination technique

SLP1 candidates did not have any difficulty in terms of time management.

Subject knowledge

As in previous years, marketing is always an area that many candidates struggle with (Q2a, Q2b, Q4c).

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

Subject knowledge

Most candidates have good general knowledge and understanding of the subject across a range of issues. Operations issues are generally well understood and applied (Q3a, Q3b), and the question on sources of finance (Q1b) was often done very well.

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

Question 1

Most candidates chose question 1.

- (a) Most candidates identified two steps but fewer candidates related these steps to *Medimatters*. Some candidates chose steps that were difficult to distinguish because the descriptions were weak.
- (b) Candidates generally could identify sources of finance and many of these could explain advantages and disadvantages of each one. Fewer were able to relate these sources to *Medimatters*. Good candidates ruled out the sources applicable to well established incorporated businesses such as becoming a public limited company or issuing debentures. Better answers recognised government grants as being highly suitable for a product/service that could have considerable health benefits to the nation. Astute candidates related this point to the Zika virus in Brazil. A large number of candidates ignored the fact that the decision had already been taken to be a private limited company.

Question 2

Many candidates answered question 2.

- (a) Some candidates only have limited knowledge of marketing plans. Other candidates identified features of marketing plans but needed to relate these features to *Medimatters*.
- (b) A significant number of candidates answered the question 'how should *Medimatters* promote the IBAT?' rather than addressing the factors influencing the decision. Good candidates addressed the question that had been set. They not only identified factors but also linked the

factors to the situation relevant to *Medimatters*. Of particular relevance to this question is the diverse nature of the two potential markets – the general public and the medical profession.

Question 3

Fewer candidates answered this question.

- (a) Good candidates related features of batch production to the need to make different lenses for each type of smart phone and that the market is probably not large enough for mass production. Generally, explanations lacked a clear sense of precision.
- (b) A significant number of candidates answered the related question of the benefits of outsourcing, ignoring the reference to the app. Good answers distinguished between the two operations. The first is largely outside the control of *Medimatters*, the second is fully in its control. The first requires detailed specifications and contracts, the second can be a lot less formal.

Question 4 SL only

- (a) Most candidates defined “vision statement” at least partly, if not clearly, although the examiners noted that many candidates wrote simple tautological answers (such as “a vision statement is where a business states his vision”); this should be avoided.
- (b) The calculations of the forecasted break-even quantity and of the forecasted monthly profit or loss were often correctly done. The examiners were surprised to see that many candidates did the calculations on graph paper; this was unnecessary: candidates should be reminded that they do not need to use graph paper just because the question is about finance or involves calculations.
- (c) This question was often poorly answered: many candidates thought that interviews, focus groups and the use of social media are a form of secondary research. Even more worryingly, many candidates just wrote “Emma should have used the internet as a form of secondary research” which shows a lack of knowledge and understanding of what secondary research sources are (yes, the sources can be found on the internet, for example academic journals, but the internet itself is not the source).
- (d) Most candidates had no problem writing about leadership style in their answer to Q4d, however few answered the questions asked: “recommend an appropriate leadership style for Ahmed”. Many candidates described his leadership style, using information from the case study, but ignored the command term “recommend” and consequently did not provide an evaluative answer.

Recommendations and guidance for the teaching of future candidates

- Greater precision in definitions.
- Practice in the lower mark questions.
- Less question spotting from the pre-release material.
- Using the pre-issue material so that candidates are fully engaged with the business and its stakeholders, being able to face management issues that exist and might arise.
- Write longer answers, further develop ideas.

Higher level paper two

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 8	9 - 17	18 - 25	26 - 32	33 - 40	41 - 47	48 - 70

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

The most notable areas in Section A and B were:

- The construction of a fully labelled cash flow statement.
- The explanation of the advantages and disadvantages of using profit centres.
- Understanding of the meaning of predatory pricing.
- Some candidates, albeit a lower number, could not cope with quantitative questions and ended up with very few marks overall. However, many candidates were awarded at least 4 marks in Section A and pleasingly, a notable number of candidates performed very well and scored 7 marks or even more in this section.
- Some candidates still produced long winded responses for a command word that asks for a straightforward definition. 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. 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 for a specific issue due to a lack of explicit 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 level two of the command words, candidates are expected to explain, not just describe, as well as properly apply, to be awarded the full marks available, usually 2 marks per issue.
- The interpretation of command terms. Some but fewer candidates still produced unbalanced responses for level 3 questions.

Level 3 of the command words- the evaluative questions.

However,

- A noticeable number of candidates still find the evaluation/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 factors between candidates.
- Many of the candidates were awarded around 6 marks for a solid answer but for a response that lacks true evaluation/substantiation. Forced conclusions were written without much or any substantiation.
- Judgments provided were all too often based on a summary of the arguments put forward

before without truly weighting up the significance of the argument which are based on circumstances for the relevant organisation, short term vs. long term relevant impacts, different impacts on different stakeholders and the judgment of... As said many times before, candidates should prioritize their arguments with justification or substantiation.

- If candidates proposed a different strategy or course of action in the conclusion, this option or recommendation should be supported or substantiated to be credited. All too often candidates came up with a new option or strategy that was not considered in their discussion.
- Some candidates produced generic recommendations on further market research to be done without providing support or substantiation for the issues they were discussing and judging.
- Another issue to be paid attention to is some of the candidates' inability to go beyond the printed materials in the stimuli. Some candidates simply rephrased the printed information without further expansion and elaboration regarding the exact effects or impact of their chosen arguments on the specific organisation or stakeholders in the stimuli. As the stimuli are shorter in content, it is now expected that candidates use some issues in the stimuli but expand on the effects, impacts, significance of the issues discussed using theories and the subject terms in a concise, selective and relevant manner.
- Many candidates just copied some relevant issues from the stimulus without explanation and elaboration. Their responses were very descriptive or lacked depth.
- Some candidates produced a one-sided response.
- The most notable weakness was the lack of real substantiation. While more candidates ended with a conclusion, the conclusion was not substantiated. The evaluation can be done throughout the response or after all issues are presented but evaluation is expected for an AO3 level question.
- Strategies suggested by some candidates in the conclusions, should have been put in relevant context and evaluated otherwise these strategies were judged as unsubstantiated.
- Given the above, most the candidates could not access the top mark band.

Section C

- The use of specific and real examples when considering the impact of the relevant concepts on the chosen organisation.
- Vague definition or non- definition and superficial explanation of the relevant concepts often resulted in superficial responses throughout.
- Some candidates had some pre-prepared responses and were unable to adapt to the specific requirement of the chosen questions.

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 study reached the top band.

Answering the quantitative questions.

More specifically:

The advantages and disadvantages of outsourcing.

The consequences of high staff turnover.

Some candidates demonstrated a solid and mature approach when answering the extended response questions.

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

More candidates also provided conclusions.

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

Question 1

This question was much more popular than question 2. No issues emerged in any of the quantitative questions. Most candidates coped well and presented clear responses where working was evident. Some, but really very few, candidates, showed limited knowledge.

- (a) Most candidates described one feature. Some described advantages or disadvantages which was not what the question asked for.
- (b) (i) This question was largely well answered. Still, those who lost one mark were the candidates who did not calculate a percentage.
- (b) (ii) This question was largely well answered. Some candidates were not able to calculate specifically the number of months but those candidates were in the minority.
- (b) (iii) This question was also largely well answered. Some candidates did not arrive to NPV or reversed the figures of the costs of investment and the total net present value.
- (c) A noticeable number of candidates were not awarded the top 2 marks since they did not specifically refer to the limitation of the NPV method and or due to lack of application. It was expected that candidate refer to the 6% at least.

Question 2

- (a) This has been a common definition required over the years and still the same error seems to crop up, namely that candidates sometimes confuse fixed costs with fixed assets. Nevertheless, the number of errors were less than in previous sessions.
- (b) For a calculation question the 2 marks on offer are split 1 for the correct answer and one for the working. Reproducing the formula only does not constitute 'workings'. The key to achieving full marks was the ability to identify the 'contribution' i.e. how the break-even quantity was calculated for 1 mark.
- (c) Given the shortening of the Section A questions, it should not be expected that the main 'data manipulation' be anything complex. This was certainly the case here with the only manipulation of data being the calculation of the 'purchases per month'
- (d) The main issue continues to be the presentational format of the cashflow. As with formats for balance sheets etc., this has simply to be learned. All the main text books show appropriate formats.

- (e) A cashflow forecast is also meant to be a representation of 'cash in' versus cash out. Therefore 'netting' the subsidy received by the government against the rent payable was not acceptable.

Question 3

- (a) Many candidates were not awarded the full 2 marks due to the omission of the fact that market share is calculated as a percentage and it measures the relative share in terms of sales.
- (b) Unfortunately, most candidates were not awarded the full 4 marks due to a lack of relevant application or due to a lack of detailed and correct explanation of the respective characteristics. Some candidates produced text book examples and / or glorified Chi. For examples, Chi does not consult the employees, he believes in a top down approach but many candidates wrote that leaders consult and delegate. Similarly, some admonished Mei for suggesting job enlargement/enrichment and used these suggestions as examples that she does not care about the employees' interest and development while the opposite can be argued.
- (c) Some good, well explained and applicable responses were evident. Those responses used Maslow theory in an appropriate manner. However, it was noticeable that many candidates did not fully understand the progression on the hierarchy of needs as suggested by Maslow. The theory was all too often very loosely used. Some of the responses were descriptive with minimal application. Therefore, a noticeable number of candidate were not awarded full marks.
- (d) Many candidates demonstrated good understanding of two possible industrial/employees' relations methods that CM employees can use. The main reason why many candidates were awarded 6 marks was due to lack of evaluation/substantiation and not due to lack of knowledge and understanding.

Those who were not able to reach the top two bands were those candidate who:

- did not term the exact action and produced some vague suggestions
- provided similar if not identical methods
- did not fully explain the consequences of such action on both employees and on CM.
- produced unbalanced responses
- referred to strike action as an option.

Still the main strengths were:

- most candidates referred to two methods
- most candidates attempted to provide a balanced response in which arguments for and against each method were presented
- most candidates referred to the information in the stimulus
- many candidates provided a conclusion to their response.

However:

- conclusions were largely presented as a summary of points/issues for and against the methods without substantiation
- please note that substantiation of the arguments/the weighting up of the significance of the arguments presented in relation to the organisation/different stakeholders/short term as opposed to the long term can be done throughout the response. In this case a short summary would have been more acceptable.

Question 4

- (a) Unfortunately, it is not enough just to re-arrange the question and respond that a 'target market' is a 'market that a company targets'. Many responses referred to market segments or a portion of a larger market, which was adequate for a partial mark. However, some reference to similar needs/wants was also required for full marks.
- (b) Many candidates failed to distinguish between 'features' and 'roles' in this question. Communication was a clear role and candidates could link that communication to any number of stakeholders such as customers and employees. A second role was in motivating – this is entirely different in simply communicating facts. Employees were the most obvious candidates for application. Nevertheless, many candidates ignored the need for application to the stimulus for full marks.
- (c) Many candidates did not recognise the key features of 'predatory pricing' – namely that is a 'short-term' strategy, setting prices well below the market to drive competitors out of the market and gain market share. There are disadvantages such as in many countries it is illegal, it also risks price wars, and sustaining the strategy for lengthy periods could harm profits – especially as sales are already falling. Some candidates also argued that it could be against A4A's mission statement or simply reflective of low quality. Again, application to the stimulus was often limited.
- (d) Overall there was generally a poor understanding of the Ansoff matrix. Some candidates confused the Ansoff matrix with the Boston Matrix however the main issue was the incorrect classification of the 2 options into the correct categories of the Ansoff matrix. Many candidates still seem to think that a new market refers to a physical or geographic market. This is not the case. It more often than not refers to a new group of customers – such as disabled people in Option 1 and business customers in Option 2. Getting one or more of the classifications wrong, therefore limited candidates marks for this question although credit was awarded for general arguments which were correct in context.

Unfortunately candidates continue to fall short in their evaluation. Conclusions are often simply short annotated summaries, providing very little in the way of substantiation, and even where valid, giving candidates little chance to progress beyond the bottom of level 4.

Question 5

- (a) This question was largely well answered. Some candidates who were not awarded the full marks diverted into the benefits of rather than the meaning of the action. Some just repeated the word 'the action of de layering'. Too many candidates continue to confuse delayering with general dismissal of staff/headcount etc. For full marks candidates needed to highlight this distinction in some way.
- (b) Surprisingly, this question was not properly answered by many candidates. Most candidates did not explain or even describe the meaning of profit centres and therefore lost focus and/or direction. Those who showed understanding of the notion of profit centres generally produced better responses. Most candidates, however, confused the term with product diversification. They could have produced the same number of products/services and use the organization as one profit centre. The advantages and disadvantages were not to do with the number of the products offered to reduce risk or that one profit centre helps another. Quite the opposite on many real occasions. The issue of profit centres continues to be poorly understood by many candidates. Many confused profit centres with cross-subsidisation and specialisation. One conceptual way to look at this is that both the previously mentioned processes would still occur even if you did not have profit centres. A firm could have 3 divisions, they could share staff,

ideas, materials even though all revenues, costs and profits are consolidated. Granted this was a difficult question for application but this was present in the stimulus.

- (c) Better responses were evident here. Still, while many candidates showed good theoretical understanding, they did not apply this to TH and ended up with two marks. Responses that were overly descriptive and lacked explanation were also awarded one mark per issue rather than two. The command word is at AO2 level. Both the disadvantages and advantages were reasonably well understood but application was generally poor. The Hotel/restaurant business is unusual in that although both involve high investment in tangible assets, they also both rely heavily on the service element of their marketing mix. The stimulus describes a competitive environment, hence service quality is likely to be a key attribute to success. This aspect of the stimulus was recognised only by relatively few candidates.
- (d) It was clear to see that most candidates who chose this question were familiar with the term outsourcing and therefore produced a good theoretical response. Those candidates who expanded on the printed information in the stimulus and provided a sound and balanced explanation as to why each of the points made could be considered as an advantage or disadvantage, scored higher marks.

Those candidates who followed the above and ended with a substantiated judgment were able to access the top two mark bands. The stimulus opens with highlighting TH's three profit centres. Therefore, discussion of the proposal needs to consider a balanced analysis of at least two of these. The function room will remain a profit centre with TH receiving the revenues and using these to pay for the costs of the subcontractor. Unfortunately, there were very few clear analytical points raised about profitability. However, there was considerable mention of the quality service issues. Providing the best quality service, and finding ways to do this is a key consideration for success but not if is not profitable. Thus, few candidates attained the top bands by not mentioning the financial aspects.

Questions 6, 7 and 8 comprise the new Section C

It was pleasing to see that more candidates than in the May 16 session produced relevant and focused responses.

Most candidates produced an extended response of a reasonable length. The lower quality responses were not due to time pressure but due to a lack of understanding of the concepts and poor application.

The main weaknesses were:

It was evident that many centres concentrated on very few well known MNCS like Apple, McDonalds and Starbucks. While there is nothing essentially wrong with such a narrow concentration or focus, it was clear to see that candidates who were over prepared, were not able to be flexible and adjust their responses to specific questions.

Vague introductions were written where the main concepts were very superficially explained.

Lack of evaluation- Criterion C. Too many one- sided responses were apparent.

Lack of direct application to various stakeholders. On many occasions, the impact of... on various stakeholders was implied. The chosen individual, group needs must applicable and relevant to the question with specific explanation. Many candidates need to go beyond stating the stakeholder.

Some 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 breath, candidates are likely to reduce the depth of some arguments.

Very few candidates used a non- real organisation in their response largely taken from Paper 1. As stated before, those candidates were heavily penalised for such a choice of a fictitious organisation. The rubric clearly indicates that the use of such organisation is not allowed.

It was evident that far too many candidates pre-prepared a response on how McDonald or Starbucks adapted their marketing mix abroad regardless the actual question.

Question 6

Most candidates referred only to product strategy under the area of international marketing strategy. The main weakness was the lack of specific explanation and application of the culture chosen. Lots of assertions were introduced about adaptation according to country X's culture, often with no clear description of the relevant and specific culture.

Candidates continue to mix up the concepts of culture and ethics. The attempt by candidates to utilise corporate culture in their responses is still very minimal and might suggest a lack of focus on teaching this topic.

Question 7

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

The main weakness that was apparent was the reference made to culture of the country and the impact on business ethics rather than the use of globalization as a concept. Many pre-prepared responses were apparent.

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 organisation goes aboard'.

Some candidates did not define or explain the nature or impact of globalization on their chosen organisational ethics. Vague assertions were made without specific and or relevant examples or application.

Moreover, most candidates assumed that because of globalization specific changes had to occur with regards to business ethics while it may be argued exactly the opposite. Critical thinking was all too often missing. Many candidates produced one sided responses.

As in the previous session, common commercial sense on behalf of an organisation and adherence to the legal framework of a country was misplaced by candidates as being ethical.

Many candidates did not employ critical thinking on many occasions and praised the organisation.

Question 8

Many candidates did not produce a meaningful response. The main issues were:

Candidates did not clearly explain their chosen content in term of change (the concept). Candidates could have used any type of organisational change. It was expected that the connection between innovation and the chosen type of organisational change was clearly explained and applied throughout the response.

Lack of description and explanation of what innovation is. On many occasions, especially when candidates used a pre prepared response, the examples of innovation were irrelevant. It is evident that change continues to represent a problem as a concept. Candidates still think bringing out a different flavour burger is 'organisational change'.

Many candidates did not provide a sound introduction to the concepts and to the content. The definition or description of innovation was often inaccurate. Many referred to innovation simply as the creation of a new product or menu and focused their responses around the products of large MNCs like McDonalds or Starbucks. Moreover, the organisational changes were often not well explained.

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 of a definition of the concepts. The content was all too often superficially described or used.

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

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 or application must be real rather than theoretical or hypothetical.

Criterion C

The command word in all the questions in this section are 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 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 one that provided two relevant and real arguments for and two against.

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 organisation
- 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/stating the stakeholder.
- The impact of the **relevant concepts** via the relevant **content** should be made clear. Candidate 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 consumers or an individual manager. However, this cannot be considered as well as within a group of consumers or managers.

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 be applied to the required content. Put the organization in context. Avoid long or historical review of your chosen organisation. Be concise and introduce only the 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 than the ones you were asked to discuss.
- Finish off with a short summary and a final judgment of the impact of OR whatever you were asked to examine.

Recommendations and guidance for the teaching of future candidates

- Candidates must ensure application throughout responses apart from when answering level 1 questions.
- Candidates must pay attention to the requirements of level 3 of the command words and provide substantiated judgments or conclusions.
- Clearly explain and constantly practice questions at the different level of the command words.
- Allow students opportunities to demonstrate ability to think outside the box and be critical. Any recommendation/judgment will be accepted in the exam provided it is substantiated.
- Enable students to use a few different companies in preparation for Section C 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 in terms of content.

Standard level paper two

Component grade boundaries

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 7	8 - 14	15 - 19	20 - 25	26 - 31	32 - 37	38 - 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:

- On the cash flow, many candidates netted out the government payment from rent. Apart from this, as is usual with a cash flow, marks tended to cluster at the top or at the bottom, candidates know exactly what to do or having only a limited or no understanding of a cash flow
- Many candidates had an imprecise knowledge of loss leader pricing strategy. Many had some idea, but it was imprecise. The position/perception map was inaccurate in many cases, and many candidates also struggled with its application. Delaying was not well applied to a hotel context
- Most candidates had secure knowledge about a private limited company (question 3a). However, some candidates merely identified a feature of a private limited company but did not define it
- Overall, the responses to question 3(d) on the importance of branding were weak. Candidates were not secure in their knowledge of the benefits of branding, and many candidates did not distinguish between FC and Rasen
- Many candidates had no real grasp of the disadvantages of a high rate of labour turnover. Candidates appeared not to understand the concept, and many candidates produced generic answers not related to a hotel
- In Section C, many candidates had imprecise understandings of culture, globalization and ethics.

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:

- Calculation of cost of goods sold, gross profit, net profit before interest and tax, gross profit margins, and break-even quantity.
- Despite some imprecision in defining loss leader pricing strategy, candidates nonetheless in general could link the pricing strategy (question 1c) to their calculations (1bi and 1bii).
- Most candidates answering question 2 could properly define fixed costs, which required some reference to output.
- Many candidates understood the product life cycle and could properly explain where Rasen scooters were in the product life cycle.
- Most candidates had some understanding of the concept term target market. However, many candidates struggled to define the term in a non-tautological fashion.
- Most candidates understood the Herzberg motivation theory.
- Candidates' responses to Section C questions were noticeably better than in the May 2016 session. Responses were better structured, had better layouts, and overall had greater force.

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

Question 1

- (a) Many candidates had some idea but, as noted above, responses were often imprecise.
- (b) (i) Most candidates correctly calculated cost of goods sold, gross profit, and net profit before interest and tax.
- (b) (ii) Many candidates could calculate gross profit margin. Some candidates lost a mark because they did not know how to round correctly.
- (c) Overall, candidates produced solid commentaries of the impact of the loss leader pricing strategy on VG. Candidates linked the pricing strategy to changes in the profit and loss account and in margins.

Question 2

- (a) Most candidates correctly defined the term fixed costs with reference to output.
- (b) Many candidates correctly calculated the break-even quantity of meals.
- (c) As is usual with a cash flow, marks tended to cluster at the top or at the bottom, as candidates seemed either to know exactly what to do or to have only a limited understanding.

Question 3

- (a) Most candidates earned at least one mark by identifying a feature of a private limited company. Better responses were descriptions, which the command term asked for.
- (b) While many candidates understand, and applied a position/perception map, many candidates had a poor understanding.
- (c) Most candidates understood the concept product life cycle and effectively applied it to the stimulus. Candidates seemed less secure in how to link the marketing mix to the product life cycle.
- (d) Responses on this question were probably the weakest of all the 10-mark evaluative questions in Section B of the examination paper. Candidates did not seem secure in their knowledge of the benefits of branding and had only limited understanding of the demands of the question.

Question 4

- (a) Many candidates produced a tautological response such as "Target market is the market a company targets." Candidates need to understand that this type of response is not acceptable.
- (b) Most candidates knew what a mission statement is but were less effective about talking about the role of a mission statement. Many candidates wrote that the role of A4A's mission statement was to communicate to customers that A4A aims to be safe and another role is that it aims to communicate that A4A aims to be affordable. In a circumstance like this, candidates received some marks for demonstrating an understanding that the role of a mission statement is to communicate to stakeholders. However, full marks could not be awarded.
- (c) Many candidates could explain an advantage and a disadvantage of a predatory pricing strategy. However, many candidates lost marks because they did not apply to the stimulus.
- (d) In general, responses were solid. Candidates had some issues with properly applying the Ansoff matrix. Nevertheless, many candidates considered both options with balance.

Question 5

- (a) Responses on this question were mixed.
- (b) Most candidates knew Herzberg motivation theory. Candidates were less effective in applying it to the stimulus.
- (c) Many candidates struggled with the question, showing limited understanding. Even when they knew the concept, candidates struggled with applying it to the stimulus.
- (d) Although many candidates understood how to respond to the question, but some misunderstandings of the concept of outsourcing weakened the response.

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.
- Candidates need to know how to round numbers correctly.
- Even though candidates performed noticeably better on Section C, we continued to see candidates who otherwise appearing to be quite capable lose 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).
- Teachers may want to consider, for average and below average students, developing a precise protocol for students to follow when answering Section C, something along the lines as follows:
 - Paragraph #1: Introduce essay: introduce essay by explaining what sector this business is in, what it sells, whether it is a MNC, and other relevant basic information about the company. It should have a thesis sentence, which would typically be the last sentence of the first paragraph.
 - 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): How stakeholders are affected by the business, the concepts, etc.
 - Final paragraph: Conclusion.

Even stronger students may benefit from such a protocol.