

2022 Business Management Higher Finalised Marking Instructions

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General marking principles for Higher Business Management

Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- (c) For **describe** questions, candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points; they do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- award 1 mark for each accurate relevant point of knowledge
- award a second mark for any point that is developed from the point of knowledge.
- (d) For explain questions, candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons. Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

Up to the total mark allocation for this question:

- award 1 mark for each accurate relevant point of reason
- award a second mark for any other point that is developed from the same reason.

For each relevant point of reason candidates must give a point of identification and a point of explanation to gain a mark. This is exemplified in the marking instructions, a dash (—) is used to show the two parts of the response.

(e) For compare questions, candidates must demonstrate knowledge and understanding of similarities and/or differences between things, methods or choices. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question:

- award 1 mark for each accurate point of comparison.
- (f) For discuss questions, candidates must make a number of points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. They do not always need to give both sides of the debate in their response.

Up to the total mark allocation for this question:

- award 1 mark for any accurate point of knowledge that is clearly relevant
- award a second mark for any point that is developed from the point of knowledge.

Where a mark is available for the development of a response this is exemplified in the marking instructions, a hollow bullet point is used to show the developed response.

Marking instructions for each question

Section 1

Question		Expected response(s)					Additional guidance	
1.	(a)	(i)	Responses cou	uld include			2	Award 1 mark for each valid comparison.
				Police Scotland		PLC		Accept any other suitable response.
			Ownership	Government	s	Shareholders		
			Control	 Government Senior Management Team Chief Constable 	whereas	Board of Directors		

Question	Expected response(s)	Max mark	Additional guidance
(ii)	Responses could include Human Resources • reduce staff turnover • reduce staff stress/absenteeism • reduce staff grievances • reduce disciplinary cases • increase recruitment applicant numbers • provide training to police officers • reduce staffing expenditure Finance • spend taxpayer's money wisely • stay within budget • reduce expenditure Marketing • improve reputation/image • better promote safety in society • increase followers/presence on social media • increase public awareness of the police role in society	3	Candidates must describe one objective for each functional area to gain full marks. Award 1 mark for each valid description. Accept any other suitable response. Watch for repetition between functional areas.

Questi	on	Expected response(s)	Max mark	Additional guidance	
(b)	(i)	 Planning - setting targets for policing to meet Scottish Government aims organising - booking regular meetings with various departments effective personal organisation such as using an e-diary or todo-list to prioritise work and manage time controlling - ensuring policing resources are spent within budget coordinating - carry out workforce planning to ensure there are 	3	Award 1 mark for each valid description. Award 1 mark for each valid development. Response must include POCCCDM labels to gain marks. Accept any other suitable response.	
		 enough police officers and support staff in the right place to do the job commanding - showing assertive and strong leadership to make decisions delegating - giving work to other members of the Senior Management Team motivating - rewarding police officers for excellent performance 			
	(ii)	Responses could include Benefits Image: Im	2	Candidates must explain one cost and one benefit to gain full marks. Award 1 mark for each valid explanation. Accept any other suitable response.	

Question	Expected response(s)	Max mark	Additional guidance
(c)	 lockdown restrictions/officers needed - will have to carry out workforce planning newly recruited officers increase induction training costs COVID-19 - increased costs incurred to purchase PPE for officers unusual circumstances due to Brexit - could put Police Scotland under financial pressure Scottish Government increases budget to £1.3 billion - will help the force meet its objectives by having more funding to improve safety/welfare for citizens in 2011 Scottish Government decided to create a single police service - this could have improved the efficiency of Police Scotland advancing communication technology - may enable Police Scotland advancing communication technology - may enable Police Scotland to offer remote/home working to some officers phasing out of petrol/diesel vehicles by 2030 - the force will need to replace its fleet vehicles with electronic/hybrid cars COP26 summit - may require overtime for officers to monitor/control the area low crime - allows Police Scotland to redirect policing resources to higher demand areas/departments Met Office yellow warning - could increase road accidents, requiring police time 	4	Candidates must explain the impact of at least 2 external factors to gain full marks. Award 1 mark for each valid explanation. Award 1 mark for each valid development. Points must impact on Police Scotland/the organisation. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(d) (i)	Application form useful for comparing responses questions can be specific to Police Scotland's requirements does not reveal the candidate's interpersonal skills and qualities Standard entrance test (SET) can be stressful for candidates can test evidence claims made in the application form can be used to quantify a candidate's ability for comparison with others Interview interviewers can ask specialist questions assess how the candidate operates under pressure can judge a candidate's appearance, personality, communication etc can be stressful for candidates can be expensive to carry out Vetting highlights concerns that the candidate may have omitted on their application	6	Candidates must discuss at least one advantage and one disadvantage to gain full marks. Maximum 5 marks for any one method discussed. Award 1 mark for each valid discussion point. Award 1 mark for each valid development. Watch for repetition between methods. Watch for flips. Do not award direct lifts from the case study. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
	 Fitness and medical assessment ensures the candidate is fit enough to be able to undertake the job a qualified doctor means the test is credibly carried out Assessment centre assess practical skills which are not as easily proven by other selection methods assess how candidates interact with others candidates may not have a chance to shine due to other candidates' dominant personalities can take a lot of time to complete can be costly to run 		
(d) (ii)	 pob adverts should not use discriminatory language, for example 'young male' application forms should be available in audio or braille formats a date of birth/age/gender request may be omitted from the application form a panel interview is objective as it reduces the chance of discrimination avoid questions relating to the nature of the disability or pregnancy testing time should be extended for learning difficulties, for example dyslexia the venue for the assessment centre and interview must be accessible, for example have a ramp or a lift for disabled candidates 	2	Candidates must describe 2 ways to gain full marks. Award 1 mark for each valid description. Accept any other suitable response.

Questi	on	Expected response(s)	Max mark	Additional guidance
(e)	(i)	 Responses could include can compare actual to estimated performance – which can help with planning policing staffing costs in the future 	2	Candidates must explain 2 reasons to gain full marks. Award 1 mark for each valid explanation.
		 can highlight areas of overspending – to allow for evaluation/investigation can highlight areas of overspending – to arrange for additional finance in advance can highlight areas within budget – which can be used to reward effective financial management to forecast trends – which can be used for long-term decision making to forecast spending – which can be used to help the Chief Constable secure future funds, for example request for the Police Scotland's annual budget to be increased 		Accept any other suitable response.
	(ii)	 Responses could include Police Scotland may have to downsize may have to make cost savings more staff can be recruited Police Scotland may have more staff available to improve its service may have to request a greater annual budget from the Scottish Government this may increase the Scottish Government's debt figure other public services may face cutbacks Scottish Government may have to increase taxation 	2	Award 1 mark for each valid description. Award 1 mark for a valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(f)	Costs only available to citizens with a social media account negative comments are public so can affect Police Scotland's image account may be susceptible to hacking, fraud or viruses requires constant monitoring and updating which can be labour intensive can increase wage costs Benefits access to a huge number of citizens who use social media increase public awareness of Police Scotland's work cheaper advertising platform than traditional methods, for example TV/radio etc can be a free to use social media adverts may be targeted to citizens based on internet history post can be shared making them viral video, animation and images can be used in posts can raise awareness of charity work	4	Candidates must discuss at least one cost and one benefit to gain full marks. Award 1 mark for each valid discussion point. Award 1 mark for each valid development. Accept any other suitable response.

Section 2

C	Question		Expected response(s)	Max mark	Additional guidance
2.	(a)		Responses could include organisations hold small amounts of inventory relies on suppliers to deliver inventory when it is required money is not tied up in inventory low storage costs wastage is reduced fashion changes should have less of an impact on the amount of inventory that becomes obsolete can be used to receive high quality inventory production may stop if deliveries are not made on time bulk buying discounts may be lost		Award 1 mark for each valid discussion point. Award 1 mark for each valid development. Watch for repetition. Accept any other suitable response.
	(b)		 delivery/admin costs may increase Quality control products are checked at the start/end of production to ensure faulty good do not reach customers production is not continually interrupted for checks Quality assurance picks up problems as soon as possible keeps waste levels low as faults are detected early it may be possible to recycle/rework the products Benchmarking ensures product is as good as the market leader/competitor saves time on developing own method helps to identify how improvements can be made 		Candidates must justify the use of each quality measure to gain full marks. Award 1 mark for each valid justification. Accept any other suitable response. Watch for repetition

Question	Expected response(s)	Max mark	Additional guidance
(c)	Responses could include • skills of the workforce • the quantity of the product that needs to be made • the required quality of the product • initial set up costs involved • the resources available to the business • if each product needs to be identical (standardised)/needs to be unique	4	Candidates must describe at least 2 factors to gain full marks. Award 1 mark for each valid description. Award 1 mark for each valid development. Watch for flips. Accept any other suitable response.
(d)	Responses could include Advantages of CAD • more accurate design process • meaning less wastage • faster than hand drawing designs • amendments can be made without having to rebuild prototypes • images can be seen in 3D • will allow you to have an idea of how the finished product will look • images can be easily used for marketing purposes Disadvantages of CAD • the software is expensive to purchase • expensive to upgrade/maintain • takes time to train staff to use the software • can be costly to train staff	3	Candidates must describe at least one advantage and one disadvantage to gain full marks. Award 1 mark for each valid description. Award 1 mark for a valid development. Accept any other suitable response.

Q	Question		Expected response(s)			Max mark	Additional guidance
3.	(a)		Field research gathering new information appropriate to what is being researched can be expensive may take time to prepare, carry out and analyse both should allow an organisa want both are forms of market rese	analysing information that already exists may not be specific to information wanted can be inexpensive less time to gather organisation to find out what customers	3	Award 1 mark for each valid comparison. Accept any other suitable response.	
	 (b) to reduce the risk of failure to appeal to a variety of market segments may mean launching a new product is easier your business may be more well-known/better brand recognition which may create a good reputation if one product receives a bad reputation this might impact on other products costs may be high in terms of advertising/promotion purchasing/maintaining machinery training of staff for each product will be time consuming 				duct is easier -known/better brand recognition utation -putation this might impact on dvertising/promotion ninery	5	Candidates must describe at least one cost and one benefit to gain full marks. Award 1 mark for each valid description. Award 1 mark for each valid development. Accept any other suitable response.

Questi	on	Expecte	d re	sponse(s)	Max mark	Additional guidance
(c)					3	Award 1 mark for each valid comparison.
		Penetration		Skimming		·
		the product is introduced at a low price		the product is introduced at a high price		Accept any other suitable response.
		the price will later be increased	eas	the price is later decreased		
		used in highly competitive markets	whereas	used in markets with little/no competition		
		used to entice consumers to switch from other brands and try the new product		allows the business to make high profits before competitors enter the market		
		both are short term pricing str	ateg	ies		
		both are used when introducin	ig ne	w products to the market		
(d)		Responses could include	hoon	achioved	4	Candidates must describe at least 2 ways to gain full marks.
		 check to see if targets have i check to see if profits have i check sales levels to see if the 	ncre	ased		Award 1 mark for each valid description.
		 check sales levels to see if they have improved issue questionnaires to customers for their views check to see if the business reputation has improved 				Award 1 mark for each valid development.
		evaluate decision with the staff for their views on its success				Accept any other suitable response.
	 monitor staff absence rates following decisions monitor staff turnover rates following decisions 					

(Question		Expected response(s)	Max mark	Additional guidance
4.	(a)		 Bank loan – a sum of money borrowed from the bank paid back with interest mortgage - a sum of money borrowed against property/land may be repossessed eventually if payments are not made venture capitalists - invest in an organisation for a share of equity the business is typically a risky investment selling shares/issue new shares - shareholders invest in the organisation local/national government grants - receiving money which does not have to be paid back sale and leaseback of any assets sell off assets/sale of unwanted assets debentures - investors give money to a PLC in return for annual interest with the lump sum paid back at the end of the term reinvestment of retained profits 	3	Candidates must describe at least 2 sources to gain full marks. Award 1 mark for each valid description. Award 1 mark for a valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(b)	 sales revenue/turnover - the amount of money generated through the sale of goods cost of sales - the amount it has cost the business to produce their goods purchases - the amount spent on raw materials/products sales returns - the amount of goods returned to the business by customers purchase returns - the amount of goods returned to the supplier by the business carriage inwards - the amount of delivery charges paid to have raw materials delivered to the business opening inventory - the value of inventory the business owns at the beginning of the year closing inventory - the value of inventory the business owns at the end of the year gross profit - the sales revenue minus the cost of sales expenses - costs incurred by the organisation (that are not directly linked to trading) profit for the year - the overall profit or loss that the business has made over a financial time period after all expenses have been paid/gross profit - expenses 	4	Candidates must describe 4 pieces of financial information to gain full marks. Award 1 mark for each valid description. Accept correct formulae eg GP = SR - COS. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(c)	 Responses could include specialists can be used to do the work - which should mean better quality reduces staff costs in the area that has been outsourced - which may result in increased profits outsourced companies will have specialist equipment - which would mean the organisation can sell their equipment do not need to purchase specialist equipment - which will reduce up-front costs the specialist company can gain economies of scale - which will reduce unit costs/allow them to quote a cheaper price the service needs only to be paid for when required - which means organisations do not need to pay for machinery/staff that are sitting idle organisations can concentrate on core activities - which should result in the organisation producing a better core product/service organisations can lose control over outsourced work - therefore communication needs to be very clear or mistakes can arise loss of confidentiality - which may mean the organisation has data protection issues to consider 	5	Candidates must explain at least 2 effects to gain full marks. Award 1 mark for each valid explanation. Award 1 mark for each valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(d)	 Responses could include Fairtrade mark can attract customers the price can be increased producers are protected from low and volatile market prices farmers' and workers' rights are protected to ensure appropriate working conditions/fair wage/quality of life it can be time consuming and costly to become Fairtrade certified certain rules and regulations can be difficult to meet products tend to be more expensive for the consumer can give an organisation a positive ethical image 	3	Candidates must discuss at least one cost and one benefit to gain full marks. Award 1 mark for each valid discussion point. Award 1 mark for a valid development. Accept any other suitable response.

Question		Expected response(s)	Max mark	Additional guidance
5.	(a)	 Responses could include primary – extract raw materials from their natural environment secondary – manufacture products from raw materials tertiary – provide a service quaternary – involved in hi-tech research and information services 	4	Candidates must describe 4 sectors of industry to gain full marks. Award 1 mark for each valid description. Accept any other suitable response.
	(b)	Responses could include Advantages • employee performance can be evaluated • feedback/praise is given on recent employee performance • can increase employee job satisfaction/motivation • expectations/targets can be set for the employee • assess the employee's potential for promotion • it is an opportunity to identify development needs of employees • can discuss/set up training • may be linked to bonus schemes or pay increases • can improve communications between managers and staff • employees will have a better understanding of how to do their job Disadvantages • having a formal meeting may be stressful for some employees • negative feedback can demotivate employees • can be time-consuming for the HR department • some staff may resent that appraisal leads to other staff (and not them) getting a pay rise/bonus • or other staff receive a promotion	5	Candidates must discuss at least one advantage and one disadvantage to gain full marks. Award 1 mark for each valid discussion point. Award 1 mark for each valid development. Watch for flips. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
(c)	Worker directors Illow the views of the workers to be taken into account – so employees feel that they have ownership of ideas in the decision-making process Works councils/consultative committees Illow employees and managers to discuss change – which will reduce resistance to change from employees/encourages teamwork and collaboration/reduces the risk of industrial action Quality circles Involves shop-floor workers being consulted on how to improve the quality of product – which makes employees feel involved in decision making/employees feel that their expertise and experience in working with the product are valued/employees are given a sense of ownership which will encourage a team ethos	3	Candidates must explain one benefit in each category to gain full marks. Award 1 mark for each valid explanation. Accept any other suitable response.
(d)	 will allow the organisation to analyse the labour market to predict shortages in suitably skilled staff in the future it will allow the organisation to see when new staff will be required in the future the organisation will be able to identify any training needs the organisation may be able to plan for employees retiring can identify whether or not they should be replaced 	3	Award 1 mark for each valid description. Award 1 mark for each valid development. Accept any other suitable response.

[END OF MARKING INSTRUCTIONS]