

## Level 3 Certificate in Business Practice



International  
Qualifications from EDI

## Annual Qualification Review

2008



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## INTRODUCTION

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The annual qualification review provides qualification-specific support and guidance to centres. This information is designed to help teachers preparing to teach the subject and to help candidates preparing to take the examination.

The reviews are published in September and take into account candidate performance, demonstrated in both on demand and series examinations, over the preceding 12 months. Global pass rates are published so you can measure the performance of your centre against these.

The review identifies candidate strengths and weaknesses by syllabus topic area and provides examples of good and poorer candidate responses. It should therefore be read in conjunction with details of the structure and learning objectives contained within the syllabus for this qualification found on the website.

The review also identifies any actual or proposed changes to the syllabus or question types together with their implications.

## PASS RATE STATISTICS

The following statistics are based on the performance of candidates who took this qualification between 1 October 2007 and 30 September 2008.

Global pass rate            60.83%

Grade distributions

Pass	34.86%
Credit	21.41%
Distinction	4.60%

## GENERAL STRENGTHS AND WEAKNESSES

### Strengths

- good understanding of the functions of business organisations
- candidates write with confidence regarding the contribution of the individual to business performance
- candidates understand the increasing importance of business values and culture

### Weaknesses

- candidates do not refer to the case study referred to in individual questions when writing their answers
- candidates lack confidence in the use of financial terms to enhance their answers
- limited understanding of the applications of information technology in a business setting, particularly with regards to management information

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## TEACHING POINTS BY SYLLABUS TOPIC

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### **Syllabus topic area 1: Influences on Business Activity**

This part of the syllabus provides an important introduction to the context of a study of Business Practice. Teachers should start the teaching programme with this part of the syllabus because students should be able to refer back to it should they experience difficulties in understanding other aspects of the syllabus.

Specific recommendations are that candidates need to:

- keep up to date regarding current influences on business organisations
- maintain an up to date log of key changes in Government policies which impact upon the business organisation e.g. interest rate changes, tax changes
- provide examples from the business environment which clearly identify the nature of business risks

### **Syllabus topic area 2: The Functions of the Business Organisation**

Students tend to have a good understanding of this part of the syllabus and can write with confidence about the main functional areas and the stakeholder concept.

Specific recommendations for the teachers are as follows:

- it is useful for the students to understand the influence of the global economy on the structure of business organisations
- whilst teaching this topic make use of the current movement in share prices of specific business organisations or sectors of the economy to identify the impact on specific stakeholders

### **Syllabus topic area 3: Business Management**

Students are generally more confident in answering questions on business planning and the need for financial information. However students are less confident in their understanding and use of financial terms

Specific recommendations for teachers are as follows:

- the students should establish a glossary of the main financial terms referred to in the syllabus
- work should be set which involves the students using financial terms in a practical setting
- compare and contrast the Annual Reports of different companies

### **Syllabus topic area 4: Personal contribution to Business Effectiveness**

Those aspects of the syllabus which are generally understood by the students tend to be in the areas of customer service, training, teamwork and quality. Students are less confident in their understanding of business efficiency (relating to costs) and effectiveness (relating to targets and impact).

Specific recommendations for teachers are as follows:

- undertake some worked examples with students relating to production and productivity rates to show clearly how a bigger output does not necessarily mean a more efficient organisation
- if students are engaged in work experience activities, get them to present their own case study to the rest of the class

### **Syllabus topic 5: Business values and culture**

This part of the syllabus is well taught as evidenced by the quality of answers produced by candidates in the final examination.

Specific teaching points to enhance the understanding of the topic include:

- refer to job advertisements to show how company's seek to project their image and identity to potential employees
- compare and contrast the mission statements of various organisations
- and identify how such statements influence corporate image and identity

### **Syllabus topic 6: Communications in Business**

Students write with confidence regarding the various aspects of business communications such as the types of communications, communications channels and the advantages and disadvantages of various methods of communication. However, they are less confident when dealing with the role of information communications technology as applied to the business environment. In particular the role of management information is not well-understood and their knowledge of the Internet in the promotion of e-business and e-commerce is particularly weak.

Teachers should concentrate upon the following teaching points:

- set an assignment based upon research using the Internet
- compare and contrast different web sites against a set of agreed criteria
- use 'comparison web sites' to identify the prices of specific goods and relate the research to the workings of the price mechanism

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## FURTHER GUIDANCE

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### Before the examination

An understanding of Business Practice will be enhanced if candidates are aware of current issues which impact on the business environment and business organisations. It may be useful for students to create a portfolio of examples which are extracted from the press and business journals. The portfolio could be divided up into the 6 sections of the Extended Syllabus and used for revision purposes when attempting past examination questions.

Case studies can also be a useful tool to promote an understanding of Business Practice. Teachers may find it useful to allocate to their students a particular business organisation at the start of the course and to monitor its progress over the period of the course. Students could feedback to their colleagues any current issues and challenges which are being faced by the business including:

- market changes
- new product developments
- impact of Government policies
- reasons for share price fluctuations including financial performance indicators
- impact of stakeholders

### Examination technique – some useful tips

Draw up a systematic revision programme which incorporates the following:

- **Plan** – draw up a revision timetable.
- **Organise** – take specific themes within the course eg quality, management, functional areas, staff appraisal, and identify connections with other aspects of the Business Practice syllabus.
- **Monitor** – keep a check on the revision timetable
- **Evaluate** – undertake self-assessment questions to test knowledge and understanding

The following list is by no means exhaustive, but many candidates fail to remember some elementary rules when sitting the examination. In some instances this can lead to failure in the final examination even though the candidate may have sufficient knowledge of the subject matter to obtain a pass mark.

In preparing their students for the examination, teachers should make sure that they familiarise their students with the following best practice approach to examination technique

- read through the examination instructions before attempting to answer any questions
- read through all the questions on the examination paper
- circle those questions you feel confident about attempting. Do not worry at this stage if you can only attempt one or 2 of the questions. You will find that once you start writing the answers to these questions, your thoughts will begin to flow more freely
- the question with which you feel the most confident should be the first question you attempt
- a preliminary list of main points should be drawn up for each question. This may not be a formal 'plan' of the answer but will be a useful reference.
- do not concentrate on one or 2 words in the question – make sure you fully understand what the question is asking.
- time should be allocated efficiently for each question (with reference to the allocation of marks) and across the examination paper as a whole. In other words, do not spend half the examination answering just one question
- always keep a check on the time

- make sure you answer the required number of question. Even if you can only answer a part of a question make sure you write down everything you know – it could make the difference between passing and failing.

### **Organising information**

In addition to the general approach to examination technique given above, it is also helpful for candidates to remember that most answers to examination questions benefit from having:

- a beginning in which some form of introduction is given
- a logically ordered middle section that gives the details of the information clearly and concisely
- an ending that closes the message by summing up the message very precisely or in some other way 'rounds off' the communication

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## EXAMPLES OF CANDIDATE RESPONSES

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The examples are taken from the Series 3 2008 question paper. The question is as follows:

*Action Sports plc has experienced a high turnover of staff which has impacted on business performance. Athena House is working with the company to suggest possible ways of improving staff motivation.*

### **Task**

*Write a report to the Managing Director of Action Sports plc highlighting the following areas:*

- (a) Why employees should be regarded as stakeholders in the business* **(5 marks)**
- (b) Five ways by which the business may be able to improve staff motivation.* **(5 marks)**
- (c) The relationship between training needs analysis, staff training and business performance.* **(15 marks)**

The following answers were written by three candidates in response to this question.

Answer (a) shows a fail response

Answer (b) shows a pass response

Answer (c) shows a distinction response

### **Answer (a) – fail response**

#### **(a) Why employees are regarded as stakeholders**

- assist in business planning
- assist in decision-making process
- specialise in functional departments (marketing, finance admin)
- staff training and development
- enhance the reputation for organisation
- improved profitability
- increased sales figures (marketing department)

#### **(b) Staff motivation**

- bonus scheme
- payment structure
- staff training programme
- quality system
- teamwork
- target-setting
- multi-skilling

#### **(c) Training needs analysis, staff training and business performance**

- less customer complaints
- enhanced good communication system
- fall in absenteeism (for staff)
- able to advise and guide customer on a product
- familiarisation of company mission, values and culture
- improved profitability
- increase market share
- repeat business
- reduction of labour turnover
- able to handle difficult customer
- good morality

### **Chief Examiner's Comments**

The answer has a few good points:

- examples of the ways to influence staff motivation include both financial and non-financial strategies
- some of the benefits of staff training are noted

However there are some significant weaknesses

- the answer is not in a report format as required in the set task
- part (a) does not focus on the employee as a stakeholder
- there is no reference at all to training needs analysis or staff training in part (c)

**Answer (b) – pass response**

(a) **Employees should be regarded as stakeholders in the business because they are:**

1. Share the same interest in a business
2. Reflect the image of the company to others
3. They play an important role to transmit message o the outside market/consumers
4. Disciplines of the employee can build more trust in customers
5. Any wrong information by the employee to outsiders will make the organisation be at risk so proper training is important

(b) **Ways in which the business may be able to improve staff motivation are:**

1. Have meeting every month to share the company progress with the staff and also inform them on the future.
2. Staff appraisal
3. To have incentive programmes when targets are met.
4. Bonus payments and profit sharing agreements
5. To give training to any potential staff in the organisation to upgrade their knowledge standard.

(c) **The relationship between training need analysis, staff training and business performance are as follows:**

**1. Training needs analysis**

- By doing the training needs analysis staff can bring forward what are the training they require to be more skilful to their job.
- By the analysis from the staff the management can better understand the training needs

**2. Staff training**

- By sending staff for training it will motivate their interests in the organisation and be more skilful in their job. The morale of the staff can also be better as they know that their welfare has been taken care of by the organisation and they can be prepared for promotion.

**3. Business performance**

The relation between all the above to business performance are the organisation will improve its performance due to the skilful staff which will benefit the organisation by:

- more profits/sales
- staff have more confidence in the work especially when relating products/services to customers

## Chief Examiner's Comments

The answer could have been improved by:

- producing the answer in a report format as required in the set task
- identifying in more detail the ways in which staff training can impact upon business performance in respect of efficiency and effectiveness measures
- a clearer understanding of the impact of staff training

However the candidate has shown:

- a good understanding of the stakeholder concept as applied to employees
- knowledge of both financial and non-financial motivational strategies
- the ability to describe the basic relationship between training needs analysis, staff training and business performance

## **Answer (c) – distinction response**

To: Managing Director of Action Sports plc  
From: Athena House  
Date: 3 June 2008  
Subject: Possible ways of improving staff motivation

### **1 INTRODUCTION**

1.1 The purpose of this report is to consider the ways in which staff motivation can be improved in order to address the problem of high staff turnover in Action Sports plc.

### **2 WHY EMPLOYEES SHOULD BE REGARDED AS STAKEHOLDERS**

2.1 Employees are regarded as stakeholders in the business because;

- They will directly affect the company's profit
- They are the people who carry out the objectives and targets set by the business organisation
- Involved in the daily running of the business
- Affect the quality of products
- As a source of communication to identify any problems arising at the work site

### **3 WAYS IN WHICH A BUSINESS MAY BE ABLE TO IMPROVE STAFF MOTIVATION**

3.1 Five ways to improve motivation are as follows:

- increase in salary
- promotion opportunities
- better working environment
- health benefits
- holiday schemes

3.1 A business can reward their staff either in monetary or non-monetary terms so as to improve the staff motivation.

### **4 THE RELATIONSHIP BETWEEN TRAINING NEEDS ANALYSIS, STAFF TRAINING AND BUSINESS PERFORMANCE**

4.1 **Training needs analysis** is the tool used by the business organisation to look into the needs of their staff training. By using training needs analysis the management can identify the areas whereby a particular member of staff will undergo training in order to improve his capabilities in the daily function of his job. Staff can also indicate in the training needs analysis their interests in the different training programmes which they think could help to improve their capabilities. Training needs analysis therefore acts as a communication channel between management and employees.

4.2 **Staff training** is the actual training provided to staff which is related to the daily activities of their job. Staff training will usually start from the first day of their service with the organisation through staff induction whereby they are informed of the company's objectives, targets and culture. Subsequently they will be provided with further training to enhance their performance. Staff are also trained in quality circles so as to provide them with the knowledge to apply these tools to improve their performance and give innovative ideas to improving business activities.

4.3 **Business performance** is related to both training needs analysis and staff training as these will constitute the achievement of the business objectives and targets therefore resulting in gaining profit to the business.

By identifying the training ends of the staff and sending staff for the different training required, business performance will be enhanced thereby improving sales leading to expansion of the business and achieving higher returns and profits.

### **Chief Examiner's Comments**

Particular points to note include:

- The use of the report format as required by the set task (although the answer would have been further enhanced if the candidate had included a set of recommendations at the end of the report)
- The candidate's clear understanding of the subject matter
- The confident use of business and commercial language which enhances the key points made in the answer
- The logically consistent way in which the candidate identifies the relationship between training needs analysis, staff training and business performance

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