

CARIBBEAN EXAMINATIONS COUNCIL

**REPORT ON CANDIDATES' WORK IN THE SECONDARY EDUCATION
CERTIFICATE EXAMINATION**

MAY/JUNE 2007

PRINCIPLES OF BUSINESS

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GENERAL COMMENTS

The June 2007 examination in Principles of Business (POB) was offered for the twenty-eighth year. This was the ninth and last year in which the current POB syllabus, which includes a School Based Assessment (SBA) component would be examined.

This year 37 346 candidates registered for the General Proficiency examinations. The composition of the examination is as follows:

Paper 01	-	Multiple Choice
Paper 02	-	Essay Paper
Paper 03/1	-	School-Based Assessment (SBA)
Paper 03/2	-	Alternative to the SBA (Private Candidates)

General Proficiency

Paper 01 –Multiple Choice

Paper 01 consists of 60 multiple choice items taken from the three profiles of the syllabus. The performance of candidates on Paper 01 was satisfactory.

The mean mark was 33.13 out of 60. Approximately 67 per cent of the candidates scored at least fifty per cent of the total available marks for this paper.

Paper 02- Essay

Paper 02 comprises two sections. In Section I, candidates were required to answer three compulsory questions; one on each profile. In Section II candidates were required to choose one question from each of the three profiles. The mean mark for Paper 02 was 45 out of 100.

Paper 03/1

Paper 03/1, the School Based Assessment (SBA) is offered to school candidates. Candidates were required to undertake an investigation and produce a written report which spans the three profiles.

Performance on this paper was quite good. The mean mark was 29 out of 40 marks.

Paper 03/2

Paper 03/2, the Alternative to the SBA, is an external examination offered to private candidates. For this examination, candidates were required to answer fourteen structured questions on a case study.

Performance on this paper was less than satisfactory. The mean mark was 14 out of 40 marks. No one achieved the maximum mark on this paper. The highest mark was 28 out of 40 marks.

Detailed Comments

Paper 02 – Essay

Section I – Compulsory

Question 1

This compulsory question tested candidates' knowledge of simple contracts; including definition and essential features and 'breach of contracts'. It was attempted by approximately 93 per cent of the candidates.

Part (a) of the question was very well done as the majority of the candidates were able to define the term 'contract'. The weaker candidates however restricted its meaning to mere 'agreements' or to 'written documents'.

Part (b) of the question was also fairly well done. The majority of the weaker candidates, however, confused simple contracts with specialty contracts. Some candidates also gave 'offer' and 'acceptance' as separate features.

Part (c) of the question was also very well done. The majority of the candidates were able to explain "breach of contracts".

Part (d) required candidates to state whether the complainant in the case would be successful if the matter was taken to the courts. Just over 50 per cent of the candidates were able to give the correct response.

Part (d) was generally not well done as even those candidates who gave a correct response in part (d) were unable to correctly justify their answers. The majority of the weaker candidates said that a contract existed because witnesses were present or that a contract did not exist because the subject was a minor or that no contract had been signed.

Recommendations

Teachers are encouraged to clarify for their students, the major differences between simple and specialty contracts using many different examples to reinforce the concept. Emphasis should be placed on the fact that simple contracts need not be, and usually are not, in writing.

Question 2

This question tested the candidates' ability to identify the criteria used to classify a firm as small in CARICOM countries; to outline some contributions that small enterprises make to the development of an economy and to explain the term "cottage industry", as well as to give examples of cottage industries.

This question was attempted by 89 per cent of the candidates.

Part (a) of the question presented the most difficulty to candidates. The weaker candidates confused the word “CARICOM” given in the stimulus material and so compared “countries” instead of listing the criteria of a small firm. They also showed a lack of understanding of the word “criteria” and thus identified the characteristics of a sole trader; such as “unlimited liability”. Other candidates incorrectly gave ‘location’ as a criterion and still others even gave the factors influencing the location of a business. The contributions of small enterprises were given here as responses rather than in part (b).

Part (b) of the question was widely known. However, the majority of the candidates failed to give proper outlines and thus could not be awarded the maximum 2 marks for each.

Part (c) of the question was fairly well done. However, the weaker candidates clearly did not know the meaning of the term “cottage industry” and indicated that it was a set of buildings or small homes, especially on the beach.

Recommendations

Teachers must ensure that students are coached in how to interpret verb cues given in questions, for example list, outline, discuss and words used in questions like criteria, features, characteristics, contributions and to be able to differentiate among them.

Students should be encouraged to strive to expand their explanations so as to get full marks. Teachers should also help students to see that cottage industries must not be taken in the literal sense of the word and therefore should be properly explained.

Home based aspects of a cottage industry must also be stressed, looking particularly at an industry where things are made mainly by hands in the home. Students must also know that all small businesses are not cottage industries, for example, fishing and farming.

Question 3

This question tested the candidates’ understanding of market structures. It was attempted by approximately 90 per cent of the candidates. While there were some candidates who performed very well, the majority of candidates scored less than half of the total available mark.

Part (a) of the question required a definition of the term, “market structures”. Not many candidates obtained full marks. For the most part, candidates failed to give accurate and concise definitions. In a number of cases, candidates defined “the market”, “marketing strategies” or described the hierarchy of the firm.

Part (b) of the question was generally well done. Most candidates were able to state two features each of perfect competition and monopoly. However, some candidates did not understand these concepts at all. Monopoly was confused with the sole trader by a few candidates.

Part (c) was poorly answered in most cases. Most candidates were not able to show how the monopoly supplier of cellular phones could affect the price of cellular phones. Many responses

indicated how the supplier would affect demand, without going on to show how the change in demand would then affect the price.

In part (d) of the question, only a few candidates indicated acceptable reasons for the intervention of government in monopolies. Those who gave acceptable reasons for the government's intervention did not go on to discuss the points as required by the question. In a few instances, candidates concentrated on how the government would intervene rather than why they would intervene.

In part (e), candidates were generally able to identify the factors which would contribute to the fall in demand for cellular phones and in most cases the factors were thoroughly discussed. The weaker candidates, however, demonstrated that they were not familiar with the factors affecting demand. In some cases, the factors causing a fall in the demand for a particular cell phone competitor were discussed, instead of the factors which would cause the fall in demand overall. A few candidates gave factors which would actually result in a rise in demand.

Recommendations

In the classroom, teachers should give attention to the definition of market structure, pointing out clearly the difference between market structure and the concepts of "the market" and "marketing".

It would be useful also to compare market structures as a means of testing whether or not students really understand the topic. Debates and /or group presentations could be used to highlight the important points relating to this topic.

When teaching the concept of demand, more drills should be used with graphs emphasizing the difference between 'movements along the curve' versus 'shifts of the curve.'

Section II – Optional

Profile 1

Candidates were required to answer Question 4 or Question 5.

Question 4

This question tested candidates' understanding of the functions of the various functional areas of a business and the effects that a decision by the marketing department to satisfy an increased stock order could have on the other departments. It also tested candidates' understanding of the benefits of teamwork and the ways in which a Management Information System (MIS) could be used in the production department. The question was attempted by approximately 57 per cent of the candidates.

Part (a) of the question was generally well done. A number of the candidates however had difficulty stating the functions of the personnel department.

Part (b) posed a challenge to most of the candidates. About 50 per cent of them misinterpreted what was required. They showed the effects on the production and finance departments only, while a few of them showed the effects on the marketing department.

Part (c) was generally well done. The candidates were fully aware of the benefits of teamwork. There was a small group of candidates who misunderstood the concept 'team approach' and saw it as forming a new company or sponsoring a team (as in a sporting event).

Part (d) posed a challenge to candidates. Most of them gave benefits of a MIS but failed to show how the system could be used in the production department. The majority of candidates lacked the command of the technical language appropriate for MIS.

Recommendations

In the classroom teachers should revisit the terms "human resources/personnel" during the teaching process, they should also give more case studies involving the application or transferring of knowledge obtained; set projects where 'teamwork' is emphasized and the outcome evaluated with the students. Teachers also need to make use of the 'practical' or 'hands-on' examples of MIS in the real world when teaching MIS.

They need to assist students in understanding how the MIS can be used by the functional departments of a company by using simulated exercises, case studies and field trips or even inviting resource persons from firms to speak on how MIS is used in different departments in their firms.

Question 5

This question was designed to test candidates' understanding of the characteristics of a sole proprietorship, remuneration package and incentives, leadership styles and the needs that are satisfied through work.

It was attempted by approximately 43 per cent of the candidates.

Part (a) of the question was well done as the majority of the candidates were able to list three characteristics of the sole proprietor. However, the weaker candidates confused these with the functions of the entrepreneur, advantages and disadvantages of the sole proprietor, functions and role of business and the characteristics of a cottage industry.

Candidates seemed to have had problems interpreting the Part (b) (i) and (ii) of the question on remuneration package and incentives. The majority of the candidates did not know what a remuneration package was. They took remuneration package to mean packaging of goods in marketing. However, they seemed to recognize that incentives were used to motivate workers but failed to follow through by providing the correct examples. The weaker candidates related incentives to customers and confused remuneration packages with incentives.

Part (c) and (d) were fairly well done as the majority of candidates were able to identify the leadership styles. However, they merely listed rather than outlined the styles as required by Part (d).

Part (e) was also fairly well done as candidates correctly listed the examples of physiological needs but they had tremendous difficulty in identifying higher-order needs and in giving correct examples.

Recommendations

Teachers should endeavour to cover areas such as remuneration and motivation thoroughly, discussing many examples with their students. They should also ensure that the correct terminologies and synonyms are known by students, for example, “autocratic”, “authoritarian” and “dictatorial” and the appropriate examples of these concepts discussed. Students must also be trained to interpret the questions and write answers following verb cues like “state”, “list”, and “outline”. They should also be able to distinguish between ‘state’ and ‘list’. Links should be made where possible between the different units so as to allow for transfer of information from one area to another.

Question 6

This question tested the candidates’ knowledge of how the use of technology, a company’s corporate image, market research, and being customer focused, can give an entity an absolute advantage in business, thereby enhancing the effectiveness of the business. This question was attempted by approximately 17 per cent of the candidates.

In Part (a), the majority of the candidates were able to identify, but not explain thoroughly the practices of a customer oriented company. There was much repetition of the same point and a constant play on words already given, for example, “customer focused” explained as “focused on customer”. Some of the candidates were able to completely outline two practices of a customer focused company.

In Part (b), it was clearly demonstrated by the majority of candidates that there was an appreciation of the fact that a company’s corporate image had a direct relation to its survival and success. Some of the candidates, though, were unclear and could not state exactly how a “good” corporate image impacted on the success of companies.

In Part (c), it was evident that at least 50 per cent of the candidates were not clear about the job specifications of a sales representative, moreover, how sales representatives could assist the companies that they work for in gathering information through market research. What little knowledge was held was not well communicated to the examiners. Where marks were allotted for identification and explanation, the latter part of the marks could not have been awarded to at least 80 per cent of the candidates as they failed to develop their points adequately.

Part (d) (i) was well answered as they were able to identify how marketing managers could use the World Wide Web to enhance business. However, they merely stated their points without discussing them.

In Part (d) (ii), the candidates’ responses were not limited to services rendered by businesses and unique to the World Wide Web, but were based on all personal services that were gained from the Internet and included many services rendered by businesses generally. Only about 5 per cent of the candidates related their answers to the soft drink industries, and so did not use the stimulus material provided in the question to assist in the answering of the question.

In Part (d) (iii), approximately 75 per cent of the candidates were not aware of the meaning of e-commerce. This section was attempted by only 25 per cent of the candidates. It was evident that those who successfully attempted this section had some ongoing exposure to computers and the Internet.

Recommendations

To allow students to give more desired and complete responses teachers are encouraged to coach students to distinguish among the following terms, outline, state, identify, discuss, suggest and explain; Use marks allotted to a question as a guide to the desired response. They must also ensure that students grasp new and key concepts and practise writing responses using terms in question such as “a consumer”, “e-commerce”, “customer focused” and “marketing research”. Teachers should also try to award more instructional time to this topic as students generally did not display familiarity with the topic and were unable to move beyond knowledge to application and analysis.

Students also need to be familiar with the purpose of stimulus material used in questions and the role this material plays in guiding them to correct responses.

In their teaching, teachers also need as far as is possible to facilitate curriculum integration (Information Technology and Principles of Business) in order to allow the students that needed advantage to effectively respond to such questions.

Question 7

This question was designed to test candidates’ understanding of the factors of production, human resource development, and migration. The question was attempted by 83 per cent of the candidates. Most of whom performed satisfactorily, with the majority of them scoring over 10 out of a possible 20 marks.

In Part (a), the majority of candidates were able to identify what a factor of production was, however, they could not explain the term ‘natural resources as a factor of production’.

Part (b) was generally well done. However about 70 per cent of the candidates failed to recognize that human resource is synonymous with labour.

Part (c) of the question proved to be quite difficult for the majority of candidates. They generally misinterpreted the question and responses were given as to why employees failed to train and develop themselves instead of the failure of employers to provide training for employees.

Part (d) (i) of the question was poorly done. The majority of candidates could not clearly define ‘labour force’. Some responses indicated that it was “forced labour”; and weaker candidates also failed to identify unemployed persons available for work as being part of the labour force.

Part (d) (ii) was fairly well done as the majority of candidates were able to clearly outline the effects of migration on their country.

In Part (d) (iii) candidates were able to give reasons for migration; however they had great difficulty in explaining the reasons.

Recommendations

It is clear that teachers need to spend more time discussing labour as a factor of production and to be mindful to explain terms that are synonymous. Many examples and illustrations should be used in teaching concepts so that there is no confusion with terms that may appear to be similar but are different.

It cannot be overemphasized that students should be coached in how to use the jargon of the business and to incorporate these in their answers to questions. Additionally, they should be drilled in interpreting verb cues in the questions for example; explain, state, discuss and so on.

Question 8

This question was designed to test candidates' ability to discuss the effects of population growth on unemployment; state two types of unemployment and give one possible cause of each type stated; suggest three possible governmental measures to reduce the types of unemployment stated; identify three trade agreements associated with the Caribbean; and discuss the effectiveness on the economic development of the Caribbean of any two of the agreements identified.

The question was attempted by approximately 54 per cent of the candidates.

Responses to Part (a) were, for the most part, fair. More than half the candidates were able to indicate how population growth affected unemployment. However, discussions were generally weak. A popular wrong approach was to discuss the effect of unemployment on population control.

Candidates performed well on Parts (b) and (c) of the question. About 80 per cent of them were able to state at least one type of unemployment, with the most popular response being "seasonal". In general, candidates had difficulty citing possible causes for the other types of unemployment identified.

About 25 per cent of the candidates gave at least three of a possible six appropriate suggestions of ways to reduce unemployment. Only the extremely weak candidates failed to give even one appropriate suggestion.

Overall, responses to Parts (d) and (e) were poor. The majority of candidates appeared to be unclear about the concept of a trade agreement. A popular misconception was to list regional bodies such as the CDB and CAIC. The weaker candidates confused trade agreements with business documents used in trade, balance of payment, occupational trades, and documents used in the formation of a business and trade unions. A significant number of the weaker candidates interpreted trade agreements to be commodities such as sugar, bauxite and oil, or documents used in trade such as invoices and airway bills.

Responses to this question revealed that candidates did not possess an adequate knowledge base and lacked understanding of the objectives tested in this question. In spite of this, more than 60 per cent of the responses were relatively lengthy. This fact, coupled with the degree of popularity, would suggest that candidates relied heavily on their perceived general knowledge in approaching this question.

Recommendation

It is recommended that teachers utilise creative approaches such as panel discussions, and presentations by guest speakers, in the teaching of the objectives covered in this question. Emphasis should be placed on the difference between trade documents and trade agreements as well as international institutions like the IMF and OPEC and Caribbean trade agreements. They should try to incorporate trade agreements at an earlier section of the syllabus. Assistance should be given to students in developing arguments for discussion type questions. In-depth knowledge of economic problems facing the Caribbean should be imparted to students and some time should be spent in discussing the implications and resolutions for these issues.

Question 9

This question tested candidates' understanding of the functions of the Central Bank compared with those of the commercial banks. Services offered by commercial banks, the differences between purchasing shares on the stock market and saving in the commercial banks, as well as ways in which the Central Bank can intervene in the banking sector to prevent a collapse.

It was attempted by 46 per cent of the candidates who performed creditably.

Part (a) of the question was attempted by 95 per cent of the candidates and was generally well done as 75 per cent of them scored more than half of the available marks. The better candidates outlined the authority and control of the Central Bank in relation to issuing the currency, formulating monetary banking policies and providing guidance to commercial banks. The weaker candidates failed to define or differentiate between central and commercial banks.

Part (b) was well done as 95 per cent of the candidates scored full marks for listing services offered by commercial banks.

Part (c) of the question was well done by most candidates, as they were able to explain how customers benefited from services listed in Part (b). The weaker candidates re-listed the services in (b) and did not explain, while some candidates simply wrote "same as above". Some of them could not show the difference between 'night safes' and 'safety deposit boxes'.

Part (d) was attempted by 90 per cent of the candidates and 50 per cent responded correctly to the differences between purchasing shares on the stock market and saving in the commercial banks. The weaker candidates were unable to associate dividends with stock market and interest with commercial banks.

Part (e) was done by 75 per cent of the candidates while 30 per cent gave satisfactory explanations of the ways in which the Central Bank can intervene in the banking sector to prevent a collapse. The weaker candidates gave responses as: the central bank can "take over" the commercial banks or "sell shares" instead of increasing the minimum reserve ratio, and increasing the minimum lending rate.

Recommendations

Teachers should allocate more instructional time to Profile 3; Introduction to Economics, and make greater use of resource persons when teaching certain units in this profile. They could also incorporate field trips into the delivery of this part of the syllabus so that students could better

relate to the material being taught. In teaching they should distinguish clearly between the authority and control that the Central Bank has over the commercial banks and the functions of the Central Bank and commercial banks.

They should also try to incorporate the usage of real documents (share certificates, debenture certificates) into the lesson to enhance students' awareness of the functions of stock market and shareholders. Also a field trip would be a valuable activity (if possible) to the stock market.

Students need more practice sessions which require them to discuss, distinguish, outline and explain their responses.

Teachers should explain the usage of the safety deposit box and night safe facility provided by commercial banks.

Paper 03/1

School-Based Assessment

GENERAL COMMENTS

The samples submitted by candidates this year revealed that generally there was an improvement in the quality of work. Candidates adhered to the general guidelines and requirements of the CXC syllabus. Most candidates presented projects of acceptable standards with necessary headings and subtitles. Normal research procedures were followed with the relevant acknowledgement and bibliography presented. There remain, however, some areas of concern which should be addressed.

Profile 1 – Organizational Principles

Most candidates identified the form and objectives. Although the relevant diagram was submitted, many candidates did not make reference to the diagram or identify the structure in the discussion (e.g. line, functional organisation).

The general discussion of management issues improved tremendously, but some candidates discussed management functions generally rather than relating them to the business or the organisation under research. Candidates should be encouraged to acknowledge the sources of their information and thus avoid plagiarism. The legal aspect of the business was adequately addressed with most candidates identifying the relevant issues as they pertain to the specific business. Candidates should be guided to relate the evaluation and recommendation to the subtopics in the profile.

Profile 2 – Production and Marketing

The submissions for this profile have also improved as most candidates discussed the relevant issues required. Some candidates gave a general discussion on factors of production but not a direct discussion for the business concern. Additionally, all the factors of production were not discussed. Most candidates included linkages in the discussion but not as an opportunity for the business. Marketing was thoroughly done, with most candidates showing a good understanding

of this aspect of the project requirement. With reference to transport, storage and consumerism, there was evidence of improvement, in that, the three concepts were discussed. Teachers should be cognizant of the fact that the three concepts should be presented and discussed in order to earn the full marks allocated for that component of the project. Here again, evaluation and recommendation should reflect the subtopics and concepts discussed in the profile.

Profile 3 – Finance and Introduction to Economics

There was evidence of much improvement on this profile. Many candidates included the necessary subtopics. The identification of capital sources was well addressed, although in some cases candidates omitted the terms of repayments of loans. Candidates should be reminded that the source of capital is also linked to the type of business and should be careful when discussing this concept. Insurance was one of the concepts that was well addressed, but some candidates failed to relate the discussion to the specific business.

Many candidates did not address the relevant issues of profitability that is; how much, how it is generated and how it is used. This is an area which lends itself to the use of tables, graphs and charts, therefore candidates should be encouraged to utilise them in their presentations. The majority of candidates showed an improvement in their discussion of economic and social contribution. However, teachers should be reminded that social contribution, which includes donation and sponsorship, is allotted one mark. Candidates should also discuss how the business contributed to GNP, GDP and national development.

The mark scheme allotted four marks for the overall communication of information and use of correct grammar. Teachers are advised to consider the overall SBA presentation when awarding these marks. Marks should be awarded for correct use of grammar, spelling and punctuation and accepted language practice. Marks must also be awarded for research procedures and presentations like table of contents, headings and subheadings, appendices and bibliography. Information or data in the appendices should be relevant and referred to in the discussion. Candidates should also pay attention to verb cues under the topic such as list, identify, discuss, and evaluate.

While candidates may be encouraged to carry out group research, each project presented should be unique. Candidates are expected to make their presentations with appropriate font size and colour. Black or dark blue ink should be used. Coloured ink should be used only to highlight and enhance the presentation.

Teachers are reminded to pay closer attention to the mark scheme and guidelines. SBA samples presented should be accompanied by the moderation sheet and mark scheme for each project submitted. All relevant information pertaining to candidates should be presented. Teachers must pay attention to the length of projects as the revised mark scheme includes a penalty for projects which exceed the word limit.

Paper 03/2

Alternative to the SBA

General Comments

Profile 1

The overall performance on this paper was poor. Synthesis of the information proved challenging for most candidates as responses reflected lack of knowledge of the content of Business Management. Concepts were not clearly interpreted as candidates dealt with the case study as a comprehension passage rather than a case study.

Candidates lacked proficiency in knowledge, comprehension and application of the concepts of the production and marketing profile. They seemed unable to extract the correct responses even when they were clearly present in the case. More difficulty was encountered when they were expected to use the information provided to draw conclusions. They simply wrote the exact wording or phrase from the case study communicating a lack of practice in answering questions that related to a case study.

Question 1

Most candidates attempted this question and were able to earn the maximum available mark even though some candidates confused the terms 'firm' and 'company'. Those candidates identified the type of firm as a manufacturing enterprise instead of a private joint stock company. The terms were used interchangeably. Others identified the business entity as a partnership business mainly because of the number of persons involved in the business, totally oblivious to the fact that the word 'limited' was mentioned at the end of the company's name and other related information like directors and shareholders.

Others stated that the business was a public joint stock company because it was stated in the case study that the firm had sights on obtaining finance through the public issue of shares.

Question 2

Generally, candidates had problems constructing an appropriate organisational chart, yet many of them were able to obtain the four marks because the levels were illustrated. Other forms of graphical representations were used in lieu of the organisational chart such as bar graphs, pie charts, and histograms. Candidates need guidance with regard to constructing the various types of organisational charts.

Other areas of default were that many of the charts were not labelled accurately and the placement of the consultant and the secretary showed a lack of understanding of the line and staff organisational chart.

Question 3

Many candidates identified Corey Link as the Human Resource Director instead of Lambert Link which communicated clearly that candidates were not clear with regard to the functions of the Human Resource Department, as functions and positions were confused. On the other hand,

those who correctly identified Lambert Link as the Human Resource Director were able to link human resource duties to administration.

Question 4

Ninety-five per cent of the candidates identified a plausible reason for staff motivation. The common reasons given were that the staff were 'well paid' and the staff received local and overseas training. Apart from those, other forms of motivational strategies were highlighted which demonstrated an understanding of motivational methods.

Question 5

Rather than document relationships, many candidates wrote about the relationships which existed between the directors and the staff. Local license, memorandum of association, partnership deed, and contracts were some of the documents named instead of articles of association. Those who indicated the partnership deed also stated that the business was a partnership business. However, in many instances, candidates gave correct responses with regard to the uses of the articles of association even though the name memorandum of association was given.

Profile 2

Question 6

Part (a) of the question was generally poorly done by candidates. The majority were unable to identify the business relationship that existed between CFL and Shorter Ltd. The most common response was partnership.

Part (b) posed the greatest challenge for candidates. Responses indicated that candidates lacked the knowledge and understanding for this question and were unable to explain the economic significance of the statement provided, hence they simply repeated the statement in the question.

Part (c) was satisfactorily done by candidates. Although candidates were able to identify the disadvantage as a 'loss', they were unable to draw conclusions on any other losses such as for a retail market or overseas market.

Question 7

Part (a) was done satisfactorily as most candidates were able to outline a factor which accounted for the success of CFL despite competition.

Part (b) was done satisfactorily; however, the majority of candidates failed to identify linkages. Candidates did not understand the types of linkages. Few candidates were able to identify it as a backward linkage; however, most were able to identify a benefit that it was likely to receive.

Question 8

This question was poorly done. Most candidates recognized that some form of advertising was involved but failed to relate it to a form of advertising applicable to the international market.

This suggests that they did not pay attention to the second part of the question which specifically referred to the international market.

Question 9

The majority of candidates scored the maximum available mark on this question. However, candidates did not pay much attention to the direct information that was given in the case study. It was noted also that candidates could not differentiate between sources of capital and sources of revenue.

Question 10

This question was poorly done. The majority of candidates did not respond correctly. They had little knowledge on the topic 'market structures'. They confused the term with areas such as, 'organisational structures' and economic systems. Few candidates answered the second part of this question correctly, mainly because of their lack of knowledge on 'market structures'.

Question 11

Generally, this question was well answered. Most candidates, however, did not include in their response that the firm would change from a private limited company to a public limited company. In the second part of this question, candidates' responses only commented on Option 1 which is the public issue would provide the firm with greater source of capital.

Question 12

Candidates did not respond to this question very well. Some candidates defined the terms 'manufacturers' and 'associations' separately.

Question 13

Generally, candidates did not score well on this question. Their responses were very vague. Candidates did not pay much attention to the word 'explain' when writing their responses. Since this item was related to Question 12, candidates who did not score highly on Question 12 also did poorly on this question.

Question 14

Candidates scored reasonably well on this question. Many candidates did not know the meaning of the word 'subsidise'. A large number of candidates interpreted 'subsidy' as being a government tax.

Recommendations

Candidates need to have accurate interpretation of questioning terms such as outline, explain, discuss, state and follow through with a number of examples to reinforce concepts taught.