

Examiners Report

Exam Name and Code: BST A/ 2022

Date of exam – 21 July 2022

Paper performance overview

what worked well with candidates and areas that they were weak on, how they responded.

The pass rate in this exam was an impressive 83.7%. Candidates, on the whole, had learnt the subject well and showed strong performances in areas such as the value chain and cyber security.

Unfortunately candidates continue to struggle with corporate governance and ethics, despite being tested on these in other previous subjects.

Question 1 performance (include each syllabus area covered)

The syllabus areas covered were: 1g, 2b, 2i, 3d, 3e, 3g

This question asked for extracts from a business plan for the data analysis on past performance and the forecast for the next three years. Most students did not know how to show a format for a business plan. Business plans would include headings, would look professional and would not cast doubt within the plan. The question section at the end of part 1.1b was there for professional scepticism over the bias in the projections rather than showing in the plan.

1.1 a & b) As always the data analysis section was very mixed in terms of performance with many candidates unable to score well from interpreting the numbers given. This was largely due to calculations performed by candidates being limited to year on year increases and decreases and gross and operating profit margin. A worrying number of candidates seem to think fixed costs include capital spend on overseas set up.

Most candidates missed that despite the question telling them that there was no future growth from UK business that the numbers contradicted this information and overseas growth seemed very high. As this was a business plan to obtain funding it was possible the numbers were inflated and a good candidate spotted this.

1.2 a This was a mixed performance area with many candidates able to provide risks of expanding but the question specifically asked for risks for expanding overseas. There is a separate section on 'risks of overseas expansion' on this in the workbook. This would have provided good answers, although candidates could still score well from using PESTEL as long as the points were specifically relating to risks relating to overseas expansion. Mitigations were not required in this section but some candidates still provided

it.

1.2 b Most candidates recognised they needed to apply Lynch. The question asked for alternatives (plural) and so only picking one from acquisition, joint venture, franchise, licence limited a candidate's marks.

1.3 It was disappointing to find that most candidates could not answer this question, with many discussing FR requirements as opposed to the composition of The Board and the committees that would need to be set up.

Question 2 performance (include each syllabus area covered)

The syllabus areas covered were: 1d, 2c, 2d

2.1 Candidates who recognised this were asking about the value chain, picked out that HD was using a differentiation focus and applied this within the value chain scored well here. Some candidates didn't understand the focus aspect of Porter's generic strategy. As the company had decided to produce ethical and sustainable clothes this is only wanted by a narrow segment of the market and so if a focus strategy. Many candidates incorrectly wrote that because 'anyone could buy the clothes that were provided to the mass market.

The use of the value chain activities as headings lead to many scoring full marks for the value chain.

2.2 Seemed to confuse most students. The value system was not understood by most with many providing the value chain rather than thinking about the links to suppliers and customers and how together value was added throughout the value system from raw material suppliers all the way through to the final customer. Despite this most did talk about the strategic fit if used retailers for their sales.

2.3 The calculation of revenue required to cover costs of the two bag options was done well by many. Unfortunately many stopped at costs rather than providing the increase in revenue required. Some seemed to have spent so long with the numbers that they skipped the discursive part of benefits and risks of the bag. There were more marks awarded for the discussion on advantages and disadvantages of each type of bag and a conclusion than there was for the calculations and so the allocated time wasn't used wisely.

2.4 Ethics was a mixed bag. No one picked out the ethical issue of 5% of the countries not being able to dispose of Plastic bags safely.

For the issue of Ben enquiring about non sustainable bags the question clearly said he had asked for it to be kept quiet. This information was provided to make it clear that the rest of the board were not aware of what was being discussed. Many candidates incorrectly decided that HD were not only fully aware but also that they had gone as far as ordering and supplying these non sustainable bags to customers which was not the case. Also asking someone to keep quiet, as Ben did, does not on its own amount to intimidation.

Question 3 performance (include each syllabus area covered)

The syllabus areas covered were: 1c, 3c, 3h

3.1 The question asked for KPIs linked to Valders CSF. Some students hadn't spotted the list of CSF in the question which then meant they were missing the info needed to get the right KPIs.

Most candidates limited the marks they could gain by either giving a list of KPIs but no explanations or lots of conversation on KPI's but no KPI's. Many KPI's provided were not actually KPI's (no measure)

3.2 Cyber security risks and mitigation was done well. The answer did require risks linked to the computer issues at Valder so a generic list of cyber security threats would not score full marks. Many candidates did well here and scored full marks.

3.3 Candidates were able to score well discussing the current structure with its benefits and issues followed by identification of the future structure and its benefits for the expansion of Valder.

Summary and helpful hints

Overall this exam was attempted well by candidates. The areas that were not performed well were limited enough so that a pass could still be achieved. Candidates should make sure that they know the key areas of the syllabus to be able to secure a pass in the exam.

A good use of heading can focus a candidate's answer and at all times knowledge learnt should be able to be applied to the question to gain the skills marks. An exam cannot be passed with application to the question.

Question practice is key to passing these exams. Learning what requirements are asked for by attempting previous questions will ensure you will interpret questions in the exam correctly. Think about how many marks are in a section and decide how many answers are needed to pass that section. Read the requirements really carefully and ensure you answer the question that I actually set.

It was clear which candidates had practised QB questions in full before the exam.