Higher level and standard level paper one

Component grade boundaries
Higher level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 8	9 - 16	17 - 26	27 - 35	36 - 43	44 - 52	53 - 80

Standard level

Grade:	1	2	3	4	5	6	7
Mark range:	0 - 6	7 - 12	13 - 19	20 - 24	25 - 29	30 - 34	35 - 50

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

It is difficult to generalise on some areas that appeared difficult for all candidates. In previous years, finance (Topic 3) and marketing (Topic 4) always seemed challenging for most candidates. The May 2013 paper 1 (P1) exam included some questions about marketing (for example 1c about primary and secondary research for marketing purposes) and about finance (for example 4b about the working capital cycle) – and indeed many candidates found these difficult, especially in terms of applying their knowledge (for example about research methodology and about working capital) to the case study. Besides, many candidates struggled to follow the instructions given, for example 1b asked for "two reasons" but many candidates did not write about two, or for 4(a) in standard level paper 1 (SLP1) candidates were asked for "two causes and two consequences" but did not do so: there was a noticeable tendency to write just a block of text, in the hope that the examiner will find the relevant elements of answer in that paragraph. Candidates need to be reminded to structure and signpost their answer: the role of the examiner is not to dig out what may be a valid point of answer.

The level of knowledge, understanding and skill demonstrated

As can be expected, the level of knowledge, understanding and skill that was demonstrated varied both by centre and by candidates within a centre. The difference in performance between centres was also noticeable. The range between the high achieving and lower achieving groups of candidates is quite significant in the subject: some very academically able candidates and some lower achieving candidates opted for the subject, hence a substantial standard deviation.

Nearly all candidates were able to complete the paper. No issue of lack of time was apparent for SL candidates.

International Baccalaureate®
Baccalauréat International
Bachillerato Internacional

A very small number of candidates answered three questions from Section A. This practice is a waste of valuable time. Those candidates were awarded the marks for the best two answers.

As expected, the better scripts were analytical and evaluative in their approach and produced "very good" to "excellent" quality answers. A more significant number of candidates were more descriptive than analytical. Such candidates were not able to apply their theoretical knowledge to the particular scenario of the case study and/or evaluate various issues.

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

Question 1 SL and HL

(a) Candidates were asked to define two terms: "regional trading bloc" and "corporate social responsibility". Most candidates answered well, yet surprisingly many did not; although the terms were present in the case study (line 30 for "regional trading bloc", lines 88–89 for "corporate social responsibility"), it seems that many candidates had not searched for and learnt their meanings. In terms of preparation for paper 1, candidates should slowly work through the case study and identify potential terms whose definitions might be asked (*ie* the terms that are in the syllabus). This would ensure that all candidates, even the lower achieving ones, score top marks for the definition questions.

(b) Most candidates scored at least a couple of marks (as most clearly understood the meaning of the word "innovation"). Examiners, however, had to deplore the fact that many candidates did not write about two reasons, although the instructions were explicit and unambiguous. Many candidates produced a block of text about innovation in general, expecting the examiner to identify where the two reasons were. In terms of exam preparation, it is important to remind candidates that they must follow the instructions given – in this case, clearly stating what the first reason is, and then what the second reason is. Using short paragraphs is a simple and logical way to structure such an as answer. Many candidates did it very well, yet some seemingly read the question as "write a paragraph about innovation and *RDB*".

(c) Many candidates duly defined and illustrated the difference between primary and secondary research (for example with reference to interviews/questionnaires and to the use of data already existing) – but they stopped there, without applying their knowledge to *RDB* and to its marketing department. Some answers were very good, but others were disappointing, as some candidates wrote very long answers, yet only theoretical ones, without any link to the case study and the marketing situation given.

Question 2 SL and HL

(a) Many answers were very good, though others confused threats (which have to be external) and weaknesses (which have to be internal). That same mistake is often encountered in the SWOT analyses of IAs. With proper coaching, all candidates should be able to avoid such errors and to score full marks for such questions. Surprisingly, several candidates wrote an entire SWOT analysis, including strengths and opportunities too, which was a waste of time and did not result in any bonus point. Again, candidates need to be reminded to follow the instructions closely: displaying extra knowledge will not result in any extra mark, if this is not part of the question itself.

(b) Candidates were asked to calculate four efficiency ratios. Although the formulaes were provided, many candidates were not able to do the calculations correctly. Such numerical questions should be accessible to all candidates, especially the non native speakers who may otherwise struggle with more discursive questions. For many candidates, more practice may be necessary; this could be done in collaboration with Maths teachers, which would also help candidates realise that the two subjects of Business and Management (from Group 3) and Mathematics (from Group 5) overlap in the area of "business maths" (ratio calculations, *etc*). Moreover, although candidates were not penalised if they forgot to include the unit (*eg* %), they should be trained to so include the unit, through classroom practice.

(c) Candidates were asked to interpret their results from part (b). Some candidates answered very well (and showed that they understood what ROCE and stock turnover mean), others however only reiterated their results from 2(b). Some coaching may have to be done on the command term "interpret", which does not mean "repeat", as some candidates seemed to believe. Merely restating the results from 2(b) did not help candidates score any mark, so the marks for 2(c) proved disappointing, in several cases.

Question 3 SL and HL

(a) Candidates were asked to define two terms used in the case study: "retrenchment" (line 133) and "commission" (line 153). The comments made about 1(a) apply here too: most candidates answered well, yet surprisingly many did not; it seems that they had not sought to clarify, in class and as part of their P1 preparation, the meaning of "retrenchment" and "commission"; many definitions were inaccurate, as if the candidates were trying to guess what these words may mean.

(b) This is a question that the vast majority of candidates answered well; some of the answers were sometimes solely theoretical (ignoring the words "with reference to *RDB*" at the start of the question), but it was good to see that this section of the curriculum (which can be confusing for candidates) was well mastered. Surprisingly, a small number of candidates answered about batch production – maybe because they read the question too fast.

(c) The quality and relevance of answers was polarised. Some candidates understood very well what a strategic alliance is (many started with a definition) and were able to address both the advantages and the disadvantages (with several instances of balanced, analytical answers); some others clearly did not know the meaning of strategic alliance (which they confused with Anna's *RDB* 2020 plan to open small factories in Brazil, China and India). Again, although the concept is in the syllabus, many candidates had not learnt about the topic, and misunderstood the question.

Question 4 SL only

(a) The examiners were very surprised to see that few candidates answered correctly, although this was meant to be an accessible question, very open and largely based on understanding the case study. Two reasons may explain the disappointing results:

- Firstly, many candidates did not seem to understand the meaning of "cause" and "consequence", although those are not difficult, subject-specific notions. Some candidates mixed the two, others thought that they were synonymous, others thought that causes are positive and consequences are negative, others wrote about advantages and disadvantages.

- Secondly, candidates did not clearly structure their answer as "cause 1", "cause 2", "consequence 1", "consequence 2": many answers took the form of a block of text about the relocation, even without using the words "causes" and "consequences", leaving it up to the examiner to find out what/where the correct elements of the answer were. As noted about question 1(b), candidates should structure their answers; it may seem obvious to state so, but candidates need to be reminded that, if the question asks, for example, about two causes and two consequences, they need to answer about two causes and two consequences.

(b) Although the phrase used in the question is in the case study (line 83) and in the syllabus (Topic 3.3), it seems that some candidates did not understand the meaning of "working capital cycle". Many candidates managed to achieve some marks, writing about liquidity and cash flow, yet few scored top marks, applying the notion to RDB. Questions about finance (Topic 3) are notoriously difficult for many candidates.

(c) Answers were satisfactory overall; some candidates answered well about the advantage, but not the disadvantage; others answered well about the disadvantage, but not the advantage. The vast majority of candidates clearly knew what B2B means; the question here was more demanding than asking for a definition of B2B, as candidates were intellectually stretched to think about advantages and disadvantages of a business operating in the B2B market (as *RDB*, as opposed to B2C), but this did not cause any problem to candidates.

(d) Examiners were impressed to see that candidates answered this question well, sometimes very well, sometimes remarkably well. Candidates were able to show that they understood both the case study and the notion of ethics – linking them, extracting relevant elements of the answer from the case study, presenting a balanced argument. The last question of SLP1 is the most demanding one (and it is worth 8 marks out of a total of 50 for SLP1, so almost one fifth of the overall SLP1 mark); candidates here have to be congratulated, as many demonstrated maturity and critical thinking (which was sometimes lacking in their answers to earlier questions). Question 4(d) was open and had no correct, expected answer: candidates could equally conclude that Anna's plan was ethical or not; interestingly, half of the candidates concluded that it was ethical, half concluded that it was not (after a balanced evaluation of both arguments). Partly disappointed by the answers to some earlier questions (*eg* 4a and 4b), the examiners were very pleased to see that so many candidates had paradoxically done (very) well for 4(d).

Question 4 HL only

(a) The examiners were very surprised to see that few candidates answered correctly, although this was meant to be an accessible question, very open and largely based on understanding the case study.

Three reasons may explain the disappointing results:

- Firstly, many candidates did not seem to understand the meaning of offshoring. There were many interpretations including subcontracting, outsourcing, moving overseas and production overseas. To be fair, as there are also many different interpretations in various textbooks and other sources, the examiners were lenient as long as there was a clear understanding of the strategy.

- Secondly, candidates did not refer to the case – too often they gave textbook answers and missed the context.

- Finally many candidates did not clearly structure their answer as "advantage 1", "disadvantage 1": many answers took the form of a block of text about the relocation, even without using the words advantage and disadvantage leaving it up to the examiner to find out what/where the correct elements of the answer were.

As noted about question 1(b), candidates should structure their answers; it may seem obvious to state so, but candidates need to be reminded that, if the question asks, for example, about one advantage and disadvantage then they need to answer about one advantage and disadvantage.

Far too often in a big block of text the candidate introduced two (or three) advantages instead of just one or indeed went on and wrote far too much because they failed to organize their answers adequately.

(b) Although the phrase used in the question is in the case study (line 83) and in the syllabus (Topic 3.3), it seems that some candidates did not understand the meaning of "working capital cycle". Many candidates managed to achieve some marks, writing about liquidity and cash flow, yet few scored top marks, applying the notion to *RDB*. Questions about finance (Topic 3) are notoriously difficult for many candidates.

(c) Answers were satisfactory overall; some candidates answered well about the concepts; others answered about Kaizen but not TQM and of course many candidates did not refer to the case study except in general terms, which was not rewarded. Kaizen as a concept was understood more than TQM, which was often condensed to just a general description about quality.

(d) Examiners were impressed to see that the majority of candidates understood Lewin and candidates answered this question well and sometimes very well.

Of the Section B questions, whilst many examiners were disappointed by the answers to some earlier questions (*eg* 4(a) and 4(b)), the examiners were very pleased to see that so many candidates had paradoxically done very well for 4(d).

If there were any issues it was mainly to do with candidates either just producing pre-learned responses that were not put into enough context or candidates just "lifting" details from the case study that were actually not forces but merely events, comments or suppositions.

Finally, many candidates failed to "finish off" the question with a relevant and sufficient concluding paragraph that included a substantiated "judgment". Too many just noted that the driving forces outweighed the restraining forces.

Question 5 HL only

(a) This question was meant to be relatively straightforward; the candidates were asked to simply interpret a set of data. Many candidates managed this effectively and this was pleasing. However, a significant number of candidates still only "lifted" some data no matter the relevance. These candidates struggled to put this data into context.

(b) This question proved to be tricky as it required the candidates to show their knowledge of the difference between management and leadership but most importantly also strategic decision making. Simply parroting pre-learned knowledge of human resources was only part of the required response. Moreover, many candidates failed to make the connection and merely produced character descriptions that were only paraphrases of the text. Nevertheless, a significant number of candidates did make the connection.

(c) This was a difficult question and examiners were aware of this and the question became a notable differentiator. There were some very good and thoughtful answers and of course the majority of solid responses with a significant number of candidates that failed to manage to meet the demands of the question.

Of the two concepts the decision tree was clearly more understood than critical path – and was more applicable to the question. Candidates who were able to use the concepts in the context of the question were well rewarded.

Candidates were also not penalised if they misinterpreted the question when calculating the "five-year net profit" as the "Own Figure Rule" was used.

(d) The final question of the exam seemed to take many candidates by surprise and they were the ones that produced pre-learned responses following a formula without addressing the actual question. For those that did answer the question set then this proved to be rewarding, especially for those that made constructive use of the extra material and included a justified conclusion.

As might be expected from the last question in a difficult section, some candidates suffered from a lack of time. However, the single biggest cause of lost marks was due to poor organization, whereby candidates who wrote pages of continuous text without any structure or organization lost their way and indeed wrote too much and with too much description and too little analysis and judgment. Candidates could have saved themselves time and marks by writing less with more clarity.

Of course this is a common theme, which we have mentioned earlier in this report, however, the effects are more marked for the extended response questions.

Those candidates that were more adaptable and answered the question about crisis management/contingency planning were well rewarded.

Recommendations and guidance for the teaching of future candidates

Examination techniques

- Read the questions carefully. Identify command terms such as: describe, analyse, examine, discuss and evaluate. These words have different meanings; expectations consequently vary and marks are allocated accordingly.

- Plan the answers, especially for responses achieving four or more marks. Use paragraphs and present the responses clearly, for example if the question asks for three features, write three separate sentences/paragraphs.

- Use the subject terminology, concepts and theories when appropriate.

- Be more analytical and refer to the case study. Evaluate when appropriate, rather than just describe.

- For quantitative questions, show your workings when asked.

Teaching

- Practice as many case studies as possible to reinforce application of theories / subject concepts to a particular event or issue.

- Practice questions that require discussion and evaluation.

- <u>Higher level only:</u> Practice the strategic question and the application of strategic tools to a wide range of information.