

The Business Guys

September Newsletter

LC Business

Tackling the ABQ

This newsletter is intended to remove the worry and fear of taking on the ABQ that students and often teachers have. The ABQ should be a question that students look forward to as its the only question on the paper that gives you a help with your answer by providing links to guide you.

Included in this newsletter is the approach in answering, a sample ABQ for 2017 with an answer sheet and a solution to use in your study/classrooms.

*Send on any feedback and suggestions for future newsletters to
gavin@thebusinessguys.ie*

How To Answer The ABQ

The ABQ always **carries 80 marks (20% of your exam)**, and students generally have **about 40 minutes to answer** the section (if shorts take 20 minutes and 4 long questions take 30 minutes each). If not managed correctly, **much longer can be spent on the question as students often put a higher value on it**. This is a **huge error** made every year. Extra time spent here results in huge losses in marks towards the end of the paper when time runs out for the student.

The ABQ tries to give the students the answers to the questions with specifically placed links that students should be able to pick out. Generally all the links for a question are included in the same paragraph, but this isn't always the case.

Most importantly, its worth remembering the ABQ isn't an open question for the student to write all they know about a topic, they must connect relevant links to keywords from the LC Business course.

What should I do to be the H1 ABQ Student?

1. Plan Your Answer (layout, headings/keywords, links, marking scheme)

You should read the text and highlight the links to be used with each question. Plan a marking scheme so you have a better idea on how many points to give for each question. The trend has been for fewer, more developed points in recent years, rather than lots of headings.

2. Check The Verbs/Actions Required in the Question

Define means you just define the term. Almost all other verbs require you to link the text directly in your answer. Evaluate means you either evaluate each point or give one overall evaluation.

3. Will structure almost all answers the same

-> **State** (Give a heading)

-> **Explain / Theory** (Give textbook knowledge relevant to the link)

-> **Link/"Direct Quote"** (Give a "direct quote from the ABQ text" relevant to the theory) Then depending on the question you could be asked to evaluate or recommend or give a benefit of etc... which could be given next. A direct quote can't just be one word, it has to be a sentence. You can't use the same quote twice, even in different questions e.g. in (a) and (b) so make sure to use the right quote in the right place.

4. Not Write Too Much.

A heading, then 2 points of relevant information / keywords, then a direct quote are enough for almost all ABQ questions. The best students will trust they've written enough and move on. This ties in to what was mentioned in the introduction – there is too much focus on the ABQ as being ultra important and students will throw away marks later on in the exam by writing too much and spending too long on it.

How to score well? Where are the marks lost for the ABQ?

1. Links given must be quotations/phrases directly from the text, not just a reference to the text.
2. No marks are awarded for links without relevant business theory.

3. No marks are awarded for business theory unless theory is relevant to the ABQ (i.e. a link could be found in the ABQ for that point)

What the Chief Examiner's Report says about the ABQ

The average mark for the ABQ was 67% or 54/80 marks.

The aim when writing the ABQ is to make it topical, relevant and realistic, as readable as possible for the candidates, and to provide clear links to the relevant business theory.

There is a tendency, however, for some candidates to provide purely theoretical answers and not link their theory to the context of the questions. In addition, some candidates find the links in the ABQ but do not provide any theoretical business detail. No marks are awarded for links without relevant business theory. The questions set are not invitations for candidates to write all they know about a particular topic. The better answers were from candidates who paid careful attention to the wording of the questions, the mark allocations and planned the use of their time accordingly. Well structured answers, which addressed the issues raised were rewarded.

Examiners can only award marks for answers that address the question asked. It is essential to always read the question twice, to avoid losing marks carelessly.

Some responses were very poorly structured and presented some difficulty for examiners to mark. Candidates should present answers in point form and thereby avoid over development of one point to the exclusion of other relevant points.

Some candidates quoted at length from the ABQ, even quoting whole paragraphs. Quoting whole paragraphs is not a relevant link. Candidates need to be selective with the material, choosing a particular sentence as a relevant link.

A lack of meaningful evaluation by candidates continues to be a problem. Some evaluations / judgments tended to be superficial.

2017 Sample ABQ – Units 4,5,6 – Boosted Boards Ltd.

Boosted Boards Ltd. was set up in 2012 in California, USA by three friends that had a passion for skateboarding, engineering and quality. When they set out to create a commercially viable motorized skateboard, they decided they would try to manufacture 100% perfect products 100% of the time so



that its customers are 100% satisfied. They knew what their strengths were, but they insisted on carrying out extensive market research so that they could build a product to match consumer's needs. They spent time recruiting staff that had a high skill and knowledge base, and that would be confident in their ability to make their own decisions without having to check with them first. They made sure to source raw materials from suppliers that listen to their feedback and would work together with them. They wanted to reduce all potential defects and keep on improving their product going forward.

They knew that they would need to communicate to their target market of 18-35 year old males to make their idea a success. They set about finding a YouTuber to endorse their product and use it in their videos, and found Casey Neistat. Casey loves skateboarding and has millions of followers and uploads videos every day to his YouTube channel. They decided that to boost sales initially and encourage potential customers, they would offer 10% off for the first 500 Boosted Boards sold. They also invested a large amount of money to appear high up on a Google Search on Google Ads, which would help them gain customers searching for motorized skateboards. They all felt that the business should have strong moral principles and guidelines, even if it might end up costing the business more to behave correctly in some situations. They felt that they should value ethical behavior in front of their employees to show how important it is to them. They set about drawing up some guidelines on how to behave correctly in business for their employees. They also plan on hiring an independent consultant to examine their business practices and create a report for them. They also set up a confidential email system so that employees that were worried about other employees behavior could pass on that message to the management.

(A) Illustrate the benefits of using 'Total Quality Management' for Boosted Boards Ltd. (25 marks)

(B) Evaluate the different types of promotion techniques that Boosted Boards Ltd. use to sell their products. (30 marks)

(C) (i) Define 'Business Ethics'

(ii) Explain how Boosted Boards Ltd. can improve their Business Ethics (25 marks)

(A) Illustrate the benefits of using 'Total Quality Management' for Boosted Boards Ltd. (25 marks)

MS: 3 points; (9+8+8) State 3m, Explain 4m, Link 2m, State 2m, Explain 4m, Link 2m x 2)

*Top Tip! *The principles of Total Quality Management are (1) Focus on the Customer (2) Employee Empowerment (3) Teamwork (4) Continuous Improvement and all TQM answers should be based around these**

Continuous Improvement = Improved Quality

Continuous Improvement means the business tries each time to do better than the previous time when manufacturing products.

A business using TQM will strive for 'zero defects' in production.

Boosted Boards "wanted to reduce all potential defects and keep on improving their product going forward." This will benefit them as less products will be returned for a refund, reducing costs.

Focus on the Customer = Increased Sales

The focus is on the customer, so a manufacturing business will conduct market research in to what the customer requires from their product. This will also prevent a firm producing lots of an unwanted goods as they will have checked what the consumer wants before production starts.

Boosted Boards Ltd. made sure to carry out "extensive market research so that they could build a product to match consumer's needs." The benefit is that customers will like their product more, increasing sales.

Employee Empowerment = Job Satisfaction

Employees are empowered, with managers giving them power to make their own decisions, increasing trust from management and allowing them satisfy esteem needs (Maslow). They can draw on their own skills and knowledge to do this.

Boosted Boards hired staff that "would be confident in their ability to make their own decisions without having to check with them first." The benefit is that staff can work much more efficiently without having to wait on a managers input/decision.

Other: Teamwork – link *"They made sure to source raw materials from suppliers that listen to their feedback and would work together with them."*

B) Evaluate the different types of promotion techniques that Boosted Boards Ltd. use to sell their products. (30 marks)

MS: 3 points; (3+3+3+1 State, Explain, Link, Evaluate.) Give either one overall evaluation or a brief one for each point.

Advertising

Advertising is the communication of information to a target market using the advertising media such as social media, magazines, posters, radio, TV, Cinema, Internet.

Advertising awakens the public's interest and persuades them to purchase goods. Advertising can be persuasive, competitive, generic and informative.

"They also invested a large amount of money to appear high up on a Google Search on Google Ads"

Public Relations

All activities, often carried out by a Public Relations Officer (PRO), e.g. press conferences/ sponsorship / endorsements related to creating a good public image for the product or service amongst its stakeholders and target market. It includes using social media to communicate to the public.

It aims to achieve favourable publicity and build a good corporate image for the business in the public eye in the long run.

"They set about finding a YouTuber to endorse their product and use it in their videos"

Sales Promotion

Sales promotion involves the use of short term gimmicks to encourage purchase. It is great to attract new customers or to get people to try out a new product when it is launched.

Forms of sales promotion include 2 for 1, coupons, vouchers, loyalty cards, free samples, banded offers, competitions etc.

"they would offer 10% off for the first 500 Boosted Boards sold."

Evaluation: In my opinion, using a YouTuber like Casey Neistat who can endorse their product daily to millions of potential customers is a great way to build a great image in the public's eye. Lots of customers are probably IT savvy so investing in google ads is a great idea as well as enticing people to buy to avail of the discount.

(C) (i) Define 'Business Ethics'

(ii) Explain how Boosted Boards Ltd. can improve their Business Ethics (25 marks)

MS: (i) 7 marks (4 + 3); (ii) 3 x 6m (2+2+2) State, Explain, Relate)

(i) It is a set of moral rules and standards that provide guidelines for right and truthful behaviour in business situations with its various stakeholders

such as employees, customers, suppliers and the community in which it operates.

Business ethics is concerned with right and wrong, fairness, honesty and respect in a business context, regardless of the impact on profits.

(ii) Establishing a code of ethics

A code of ethics is a formal written statement setting out the expected behaviour for its employees/managers when dealing with employees, customers and the community in which it operates.

Boasted Boards can give employees and managers standards of behavior to follow, making them more ethical *"They set about drawing up some guidelines on how to behave correctly in business for their employees."*

Encouraging 'whistle blowing'

This involves encouraging staff to report unethical behaviour by creating a climate where whistle blowing is rewarded.

Boasted Boards Ltd. will discourage unethical behavior as employees know it will be reported *"They also set up a confidential email system so that employees that were worried about other employees behavior could pass on that message"*

Conducting an Ethical Audit

A business can hire an independent outsider called an ethics auditor to examine every aspect of the business – management, where they source raw materials, how it treats its employees/customers/suppliers/society...

The auditor could create a report highlighting areas that Boasted Boards Ltd. can work on to eradicate any bad behavior *"plan on hiring an independent consultant to examine their business practices and create a report for them."*

Other: Leading By Example – *"They felt that they should value ethical behavior in front of their employees to show how important it is to them."*

(A) Illustrate the benefits of using 'Total Quality Management' for Boasted Boards Ltd. (25 marks)
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State: _____

Explain: _____

Direct Quote w/benefit:

State: _____

Explain:

Direct Quote w/benefit:

State: _____

Explain:

Direct Quote w/benefit:

(B) Evaluate the different types of promotion techniques that Boosted Boards Ltd. use to sell their products. (30 marks)

State: _____

Explain:

Direct Quote:

State: _____

Explain: _____

Direct Quote: _____

State: _____

Explain: _____

Direct Quote: _____

Evaluation: In my opinion _____

(C) (i) Define 'Business Ethics'
(ii) Explain how Boosted Boards Ltd. can improve their Business Ethics (25 marks)

(i) _____

(ii) State: _____

Explain: _____

Direct Quote: _____

State: _____

Explain:

Direct Quote:

State:

Explain:

Direct Quote:

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