

Level 2 Certificate in Business Calculations



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CONTENTS

Introduction	1
Pass Rate Statistics	1
General Strengths and Weaknesses	1
Teaching Points by Syllabus Topic	3
Further Guidance	7
Examples of Candidate Responses	8

INTRODUCTION

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 2008 and 30 September 2009.

Global pass rate 79.05%

Grade distributions

Pass 10.03%

Credit 18.85%

Distinction 50.17%

GENERAL STRENGTHS AND WEAKNESSES

General Strengths and Weaknesses

A very wide range of responses, reflecting a very wide range of ability and level of preparation.

A significant number of candidates showed a mastery of the subject across a wide range of topics. Often the level was so high that many of these may have simultaneously prepared well for the related level 3 syllabus.

There were also a significant number of candidates who demonstrate a very poor understanding across a wide range of topics.

A similar variation is seen in presentation.

Strengths

Many candidates were very well prepared for this examination and demonstrated

- clear layout of answers
- good level of overall numeracy
- good understanding of business calculations
- as a consequence distinctions are common

Weaknesses

Many candidates appeared unprepared for this examination and demonstrated

- poor layout of answers
- poor level of overall numeracy
- poor understanding of business calculations
- as a consequence poor grades are common

TEACHING POINTS BY SYLLABUS TOPIC

Syllabus Topic 1: Simple and compound interest

Questions on this topic are generally well answered. Candidates occasionally use simple interest when compound interest is asked for, and even more rarely use compound interest when simple interest is asked for. Questions are intended to test a specific method or methods, and using a method other than the one specified in that part of the question will inevitably lose marks.

Candidates should understand that interest is normally paid or received to the nearest penny, and that giving answers to an inappropriate degree of accuracy is inaccurate, and will be penalised.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method of interest required by the question
- perform all calculations accurately
- be familiar with the difference between principle, interest, and amount (principle plus interest), and make this clear in their answers
- when using simple interest, be careful to apply the factor of 100 correctly, and not to apply it twice
- when using compound interest, convert percentage interest to a decimal correctly
- when using compound interest, be able to calculate using the year on year method and also using the formula, and use the appropriate method when specifically required
- understand and apply the requirement to give answers to the nearest penny or pound, or to a given number of significant figures or decimal places
- where no requirement for a particular level of accuracy is stated, understand the need to give answers to a suitable degree of accuracy. If in doubt, this should be to two decimal places of a pound.

Syllabus Topic 2: The small business

Questions on this topic are generally well answered. Candidates are generally familiar with all topics, though sometimes not with all aspects of a calculation.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- take care in identifying the method appropriate to the question
- perform all calculations accurately
- for a compound calculation such as job costing, take special care to carry out all steps correctly
- take special care when the 'unit' cost is 'per 100' or 'per box of 8', for example
- take care to apply a percentage charge or discount to the correct figure

Syllabus Topic 3: Wages and commission

Questions on this topic are often well answered. Candidates are generally familiar with the basic concepts of all topics, but some have difficulty in applying these beyond the more straightforward calculations.

Candidates often have particular difficulty with:

- overtime pay, for example 'time and a half'
- deductions from salary
- splitting up a figure for sales to apply graduated commission
- the number of weeks in a year

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method appropriate to the question
- practice applying standard calculations in a range of situations
- pay particular attention during revision to the points in the previous paragraph

Syllabus Topic 4: Buying and selling

Questions on this topic are generally well answered. Candidates are generally familiar with all topics, though sometimes with not all aspects of a calculation.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- take care in identifying the method appropriate to the question
- perform all calculations accurately
- be able to apply standard calculations in a range of situations
- for a compound calculation such as calculating the cost of an order, take special care to carry out all steps correctly
- take special care when the 'unit' cost is 'per 10' or 'per pack of 12', for example
- take care to apply a percentage charge or discount to the correct figure, and know which are added and which deducted
- when there is more than one discount in a question, such as 'trade discount' and 'prompt payment', be aware that one should normally be applied after the deduction of the other

Syllabus Topic 5: Insurance

Questions on this topic are often well answered. Candidates are generally familiar with the basic concepts of all topics, but mistakes are frequently made when calculating a monthly premium that includes a service charge, and when dealing with underinsurance.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method appropriate to the question
- be able to apply standard calculations in a range of situations
- for a compound calculation such as calculating the monthly premium, take special care to carry out all steps correctly
- be aware of the basic concept of underinsurance, which is that the insurance company will not pay the full value of your claim, and will also require an increase in premium to cover the full value

Syllabus Topic 6: Foreign currencies

Questions on this topic are often well answered. However, a range of mistakes are made based upon a confusion over whether to multiply or divide.

A range of currencies will be used for currency conversion and for the calculations of other syllabus topics. These will include, but not be limited to, pounds, euros and dollars.

The teaching points for the candidates are:

- be aware that all questions may be set in currencies other than pounds sterling, for example euros
- be aware that this does not change the method of calculation
- for currency conversion, be familiar with the method of calculating using ratio
- in particular be aware that addition and subtraction are not appropriate for currency conversion
- when provided with an initial ratio, such as £1 = €1.20, take note of which currency's figure is the higher, and check your answer to make sure that this is still true

Syllabus Topic 7: Hire purchase

Questions on this topic are often well answered. Candidates are generally familiar with the basic concepts of all topics, but mistakes are frequently made when calculating a weekly or monthly premium that includes interest.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method appropriate to the question
- be able to apply standard calculations in a range of situations
- for a compound calculation such as calculating a monthly premium, take special care to carry out all steps correctly, and in the correct order
- when calculating the total cost of the purchase, be aware that this can be done either by adding deposit to the total of monthly payments, or by adding the interest to the original cost

Syllabus Topic 8: Partnerships

Questions on this topic are often well answered. Candidates are generally familiar with the basic concepts of this topic, but mistakes are frequently made when calculating a salary over a period other than a year.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method appropriate to the question
- be able to apply standard calculations in a range of situations
- be familiar with the method of calculating using ratio
- check that you have calculated the salary over the period given

Syllabus Topic 9: Averages

Questions on simple averages are often well answered, but weighted averages and grouped frequency tables rather less so.

The teaching points for the candidates are:

- be familiar with all methods required by the syllabus
- identify the method appropriate to the question
- be able to apply standard calculations in a range of situations
- revise the methods for weighted averages and grouped frequency tables
- when using a grouped frequency table, start by identifying the number of individual values it contains

FURTHER GUIDANCE

General

Candidates should read each question carefully and pay attention to key words and phrases. Candidates should be familiar with all methods required in the syllabus. In particular candidates should identify the appropriate method and not offer an alternative method where a specific one is required.

Accuracy is important in business calculations, and this applies equally to:

- reading the question
- carrying out the calculation
- laying out the answer
- stating the answer

Candidates should take care to provide workings and not just numerical answers.

EXAMPLES OF CANDIDATE RESPONSES

Answers to questions in Business Calculations are generally either right or wrong, and overall grades of fail, pass, credit and distinction are based on the proportion of correct answers provided. Correct methods of calculation are widely available.

As is common in calculation-based papers, full marks are often earned on individual questions and occasionally earned on the paper as a whole.

Generally, there is only one correct final answer to a question or section, and the Model Answers produced for earlier papers provide many clear examples of this. The Exemplar papers now produced also provide this information. There may be more than one method of arriving at a correct answer, and unless a specific method is stated in the question as required then all are credited equally. Where a final answer is wrong, then correct methods or part methods will still earn partial credit.

Incorrect answers are generally very varied, and are not felt to have educational value. For this reason, examples of candidates' incorrect responses are not included and candidates should refer to published Exemplar papers for appropriate detail and layout.

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