

BCS THE CHARTERED INSTITUTE FOR IT
BCS HIGHER EDUCATION QUALIFICATIONS
BCS Level 5 Diploma in IT

March 2018 Sitting

EXAMINERS' REPORT

Professional Issues in Information Systems Practice

The pass rate for this sitting was low compared to recent sittings, with a number of students gaining a mark less than 30%. Such candidates are not properly prepared for the exam and are strongly recommended to undertake further study before entering for the exam.

There is a repeat of the same reasons for candidates who fail this module or obtain low marks. The main reasons are:

- Not addressing the actual question.
- Only addressing parts of the question;
- Not structuring the answer in relation to the question;
- Not providing appropriate detail/content in the answers.

Candidates should pay attention to the possible marks for parts of the question and structure the detail in the answers appropriately. There is some improvement in this, but it is still common to see brief answers for parts of a question that have a higher mark and, therefore, needs more explanation and discussion.

Whilst there is some improvement in the structure of answers, there is still room for improvement. Therefore, we note that it is important that the answers are structured to match the different parts of the question. Some candidates write general content on the main theme of the question, but do not indicate which parts of their answer relates to the parts of the question. Candidates should focus their answers to the relevant parts of the question.

Section A

A1

This question is about the **BCS Code of Conduct**.

- a) Using TWO relevant examples, explain the purpose of the BCS Code of Conduct.
(10 marks)
- b) The BCS Code of Conduct is divided into sections. One of these sections is 'Duty to the Relevant Authority'. Members of BCS are expected to behave professionally towards the relevant authority. Give THREE examples to explain what this means.
(15 marks)

Answer Pointers

Part a)

The answer should identify that BCS sets out the professional standards required as a condition of membership. It applies to all members, irrespective of their membership grade, the role they fulfil, or the jurisdiction where they are employed or discharge their contractual obligations. Also, it governs the conduct of the individual, not the nature of the business or ethics or a relevant authority. Any two of these could be discussed.

Syllabus Coverage: Professional Codes of Conduct, 8.1.

Part b)

Three relevant examples would be discussed, which would typically cover the following:

1. Avoid conflicts of interest plus relevant explanation.
2. Avoid misrepresentation plus relevant explanation.
3. Do not pass on confidential information without permission – plus relevant explanation.

Other relevant examples would be given appropriate credit. In addition to identifying the example, there should be discussion about each item. In stronger answers, the discussion might include an awareness of a requirement that professionals should act in a way that is guided by the Code of Conduct.

Syllabus Coverage: Professional Codes of Conduct, 8.1.

Examiners' Comments

Most students were able to provide average answers to the questions and there were some very good answers that demonstrated a detailed understanding of the issues. However, a number of candidates did not show sufficient detail in their answers or knowledge of the Code of Conduct. For part (b), candidates did not always distinguish between the three examples or give relevant numbering and in some cases, did not identify the correct number of examples. Some answers were incomplete and didn't address all parts of the question.

A2

This question is about **Organisations and their Structure**.

- a) Explain the role of:
 - a. The company secretary.
 - b. Executive and non-executive directors.

(9 marks)

- b) Many organisations grow from small beginnings to large sized organisations. With this growth comes the need to restructure. In most cases the organisation's structure evolves to include elements of several types of organisational structure.

Banrion Plc. has grown to a medium-sized UK-based company. It provides a range of software packages for five market sectors in ten European Union countries. Suggest a suitable structure for Banrion Plc., illustrating your answer with an organisation chart.

(16 marks)

Answer pointers

Part a)

The answer should identify that the Company Secretary is legally responsible for keeping the various records the company has to maintain and for submitting statutory returns to Companies House. Stronger answers might have noted that this used to be a mandatory role until 2008, but it became an optional role for private limited companies. Public companies must have a company secretary.

Directors are expected to promote the success of the company for the benefit of its members. This includes, but not limited to, consideration of long term implications of decisions, fairness to the members, consideration of impact on community and environment. Executive directors have day-to-day operational responsibilities in the company. They are normally employed by the company and guide its operations. Directors might take responsibility for particular areas, e.g. sales or finance. Non-executive directors

have no day-to-day operational responsibilities in the company. Typically, they attend board meetings to offer the benefit of their knowledge and sit on committees such as the remuneration committee where independent voices are important. They are paid a fee for their services. Stronger answers may have noted that the duties of directors are outlined in the Companies Act and that legally, non-executive director duties and responsibilities are the same as those of executive directors.

Syllabus Coverage: Organisations and Their Structure, 2.1.

Part b)

There should be an organisation chart with an appropriate discussion to explain the structure in the chart.

At the top level (UK based) the company could adopt a market sector structure, with a sales and marketing division managing all FIVE sectors. It would have a development division where all bespoke and package development are carried out along with maintenance of same. It would also have group functions such as finance, administration and human resources. The head of the sales and marketing division, the head of the development division and the head of each of the group functions would report to the CEO, making up the senior management team.

A market-based structure would be most suitable, mirroring the FIVE sectors. Such a structure would involve a subsidiary company for each market sector with an office (each based in Europe nearest its VIP clients) responsible for sales and marketing, finance, administration and human resources. The head of each subsidiary company would report directly to the head of the sales and marketing division in the UK and be able to call on the various group functions in the UK for consultancy and direction.

Other relevant structures would be given where appropriate for the given scenario.

Syllabus Coverage: Organisations and Their Structure, 2.2.

Examiners' Comments

Part (a) was answered less well. A lot of candidates confused the role of a secretary with the role of a Company Secretary. A significant number of respondents simply did not know the role of executive and non-executive directors. Part (b) was not answered well overall.

A3

This question is about **Human Resources Management**.

- a) Through the use of examples, explain the difference between unfair dismissal and constructive dismissal. **(7 marks)**
- b) Describe the system known as Management by Objectives (MBO). In the answer, outline the **MAIN** weaknesses of MBO. **(12 marks)**
- c) Distinguish between direct and indirect discrimination. **(6 marks)**

Answer pointers

Part a)

Discussion including indicative points for:

- Unfair dismissal occurs when an employee is dismissed without proper procedures being followed. For example, when the employee is given no opportunity to remedy any faults and no opportunity to appeal against the decision.

- Constructive dismissal occurs when the employer so varies the employee's conditions of service (typically but not necessarily in a way that infringes the contract of employment) that the employee is left with no alternative but to resign. For example, requiring someone who was employed to work in a fixed location to undertake frequent long-distance travel.

Syllabus Coverage: Human Resources Management, 9.1.

Part b)

The essence of MBO is that managers and their subordinates agree on a set of objectives for the subordinate to achieve over the next period. These objectives should be precise, objectively verifiable and, ideally quantifiable. At the end of the period they meet and discuss the extent to which these objectives have been achieved. If the objectives have not been achieved, they will discuss the obstacles that have prevented them from being achieved and how these obstacles might be overcome. A revised set of objectives are agreed for the next period.

Example weaknesses of MBO are:

- Not all legitimate objectives can be specified in precise and quantifiable terms. Such objectives are therefore often ignored when applying MBO.
- The insistence on quantifiable objectives can distort behaviour. For example, setting specific targets for cutting the length of waiting lists in hospitals can lead to doctors choosing patients for treatment on the basis of the effect on the waiting list rather than on clinical needs.
- MBO tends to emphasise short-term objectives at the expense of long-term objectives.

Stronger answers would discuss examples of the weaknesses.

Syllabus Coverage: Human Resources Management, 9.6.

Part c)

Direct discrimination takes place when one employee is treated less favourably than another, specifically because of one of the protected characteristics such as disability, sex or race. Indirect discrimination takes place when general conditions are imposed that have a disproportionate effect on one individual or group. Stronger answers will not just explain the terms but distinguish between them, possibly with the use of examples.

Syllabus Coverage: Human Resources Management, 9.4.

Examiners' Comments

Overall, part (a) was well answered by the majority of candidates. Marks were lost by not providing examples. Part (b) was answered well by the majority of respondents. However, a number of respondents did not outline the main weaknesses of MBO and lost marks as a result. Respondents who received high marks, related MBO to a particular role(s) when outlining the weaknesses. Part (c) was answered well by approximately half the respondents, with the other half demonstrating limited understanding of these types of discrimination.

Section B

B4

This question is about **Finance** and **Management Accounting**.

- a) Describe each of the following financial statements. In your descriptions, include at least ONE example of what is contained in each statement.
- i) Balance Sheet.
 - ii) Profit and Loss Account.
 - iii) Cash Flow Statement.
- (15 marks)**
- b) Discuss the importance of Discounted Cash Flow. **(10 marks)**

Answer Pointers

Part a) i)

A balance sheet or statement of financial position is a statement covering a company or individual's assets, liabilities and shareholders' equity at a specific point in time. Stronger answers would demonstrate understanding that these three elements provide an idea about what a company owns and owes, as well as the amount invested by shareholders. The answer should contain a suitable example of the contents of a Balance Sheet.

Part a) ii)

A Profit and Loss Account identifies if a business has made profit or loss over a period of time, normally a financial year. The statement includes 'cost of sales' and 'operating costs', which explain how any profit/loss occurred. A stronger answer would show appreciation of the list of issues included in the Profit and loss statement. Including: account shows sales, cost of sales, direct costs, overheads and expenses and calculates operating profit. The answer should contain a suitable example of the contents of a Profit and Loss Account.

Part a) iii)

A cash flow provides information about a company's gross receipts and gross payments for a specified period of time. Cash flows in to a business through receipts by selling products, cash goes out of business as payments and expenses. The difference between incoming and outgoing cash is reflected in a cash flow statement. A suitable example should be provided.

Syllabus Coverage: Finance, 3.1 and Management Accounting, 4.2.

Part b)

In finance, Discounted Cash Flow (DCF) analysis is a method of valuing a project, company, or asset using the concepts of the time value of money. All future cash flows are estimated and discounted by using cost of capital to give their present values (PVs). The sum of all future cash flows, both incoming and outgoing, is the net present value (NPV), which is taken as the value of the cash flows in question. Stronger answers would discuss an example which illustrates the concepts of DCF.

Syllabus Coverage: Management Accounting, 4.2.

Examiners' Comments

Overall, the candidates offered good or reasonable answers. Answers for part (a) were better at discussing the issue of a Balance Sheet and Profit and Loss Account, but a number of answers were unable to talk about Cash Flow Analysis. Part (b) included some good answers but it was answered less well overall. Several candidates were unable to offer a description of DCF and few went on to describe how it is used by a business or discuss any relevant example.

B5

This question is about **Legal Obligations** and **the Internet**.

You work for an e-commerce company that sells books and music through its website. The company sends out emails as part of its marketing strategy. The company mostly sells products to customers in the UK, but it has customers across Europe, Asia and Africa. The website makes use of cookies to hold information about the current customer, such as the basket of goods that the customer has selected.

- a) Discuss the data protection issues that relate to the use of email marketing and use of cookies. **(12 marks)**
- b) Why is it necessary for this company to display terms and conditions of purchase on its website? **(4 marks)**
- c) Discuss why it is necessary for this company to consider accessibility when designing and updating its website. **(9 marks)**

Answer Pointers

Part a)

Opting-in relates to the conditions under which an e-commerce business can send unsolicited marketing e-mails to people who have previously used its services. Opting-in means that customers must have explicitly indicated that they wish to receive such e-mails before they can be legally sent to them. Under the UK Data Protection Act 1998 marketing e-mails can only be sent to those who have opted in.

Cookies can invade the privacy of e-commerce customers by covertly gathering personal data in an 'unfair manner', without the permission of the customer under the UK Data Protection Act 1998. However, if the customers proceed after receiving the warning that the e-commerce website uses cookies, they are giving their consent to the collection of data by the cookies.

Answers including coverage of the new General Data Protection Regulations (GDPR) were given credit where appropriate.

Syllabus Coverage: Legal Obligations, 5.1, The Internet, 7.3.

Part b)

The UK Consumer Rights Act 2015 requires that terms and conditions of purchase, such as the policy on returns and refunds be displayed on an e-commerce website. Stronger answers may comment on the relevance of the UK Consumer Rights Act 2015 with regard to terms and conditions of purchase, especially regarding the policy on returns and refunds being displayed on an e-commerce website.

Syllabus Coverage: Legal Obligations, 5.2.

Part c)

Under the UK Equality Act 2010, there would be a duty to make reasonable adjustments to the design of an e-commerce website to make such accessible to disabled persons (for example those with visual impairments). The website should not put a disabled

person at a substantial disadvantage in relation to using the website in comparison with persons who are not disabled. If accessibility is not considered in the design of an e-commerce website, then potential customers may be lost. A stronger answer could include detailed discussion of the relevance of the UK Equality Act 2010 and application in practice with regard to accessibility.

Syllabus Coverage: Legal Obligations, 5.1.

Examiners' Comments

This question was answered by the majority of the students. The students generally answered part a) reasonably well, showing understanding of the data protection issues associated with cookies, but less understanding of the requirement for opting in with regard to email marketing. Students answered part b) reasonably well showing an understanding of UK consumer protection legislation. Most students provided an appropriate discussion of accessibility, however, some students confused accessibility with access control.

B6

This question is about **Legal Obligations and Intellectual Property**.

- a) As a medical software salesperson and work involves use of a company laptop computer. The laptop contains information about sales contacts. The account on the laptop has access to the company's social media accounts, including information on the social media accounts.

The laptop was stolen when you were using it in a coffee shop. Private Twitter and Facebook information has been accessed and altered.

Discuss the risk to privacy in this situation and how the UK Computer Misuse Act 1990 would apply to this scenario. **(16 marks)**

- b) Outline how the UK Copyright, Designs and Patents Act 1988 could apply to the characters, music and code in a mobile telephone game. **(9 marks)**

Answer Pointers

Part a)

The privacy of the company's Twitter and Facebook accounts will have been compromised, as well as the privacy of personal data relating to the salesperson and sales contacts that were on the laptop. Under the UK Computer Misuse Act 1990 unauthorised access to the computer materials has occurred since unauthorised access has been gained to the Twitter and Facebook information. Under the UK Computer Misuse Act 1990 unauthorised access to and modification of information on the company's Twitter and Facebook accounts has occurred. Stronger answers may include additional discussion of privacy issues and the relevance of the UK Computer Misuse Act 1990.

Syllabus Coverage: Legal Obligations, 5.1.

Part b)

Discussion of how Copyright would prevent other companies or individuals from:

- making copies of the characters or music or code in the mobile telephone game
- selling or renting copies of the mobile telephone game without a license from the company;
- making an adaptation of the characters or music or code in the mobile telephone game;
- doing any of the above in relation to a substantial part of the characters or music or code in the mobile telephone game.

Syllabus Coverage: Intellectual Property, 6.1.

Examiners' Comments

This question was answered by the majority of the candidates. The candidates answered part a) reasonably well, showing awareness of the UK Computer Misuse Act 1990. Students answered part b) reasonably well showing awareness of the UK Copyright, Designs and Patents Act 1988.

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