LEVEL 3 APPLIED QUALIFICATIONS IN BUSINESS

GUIDANCE FOR TEACHING

YEAR 1 GUIDE

Aims of the Guidance for Teaching

The principal aim of the Guidance for Teaching is to support teachers in the delivery of the WJEC Level 3 Applied Qualifications in Business and to offer guidance on the requirements of the qualification and the assessment process. The Guidance for Teaching is **not intended as a comprehensive reference**, but as support for teachers to develop stimulating and exciting courses tailored to the needs and skills of their own learners in their particular institutions.

The Guidance for Teaching is made up of the following parts:

- Delivery guide
- Course outline
- Assessment Guide
- Year Guides

Each part is published separately and can be downloaded from the Key Documents section of the qualifications subject page.

Aims of the Year Guide

The principal aim of the Year Guide is to support teaching and learning and act as a companion to the Specification. Each Year Guide will offer detailed explanation of key points in the Specification and aim to explain complex areas of subject content. An overview of the whole course can be found in the Delivery Guide.

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INTRODUCTION

The WJEC Level 3 Applied Qualifications in Business have been Designated by Qualifications Wales and is available to:

- all centres in Wales
- subject to local agreement, it is also available to centres outside Wales, for example in the crown dependencies of the Isle of Man and the Channel Islands, and in British overseas territories, and to British forces schools overseas. It is not available to other overseas centres or to centres in England.

The Level 3 Applied Certificate in Business will be awarded for the first time in June 2024, using grades A to E. The Level 3 Applied Extended Certificate in Business will be awarded for the first time in June 2025, using grades A* to E.

ADDITIONAL WAYS THAT WJEC CAN OFFER SUPPORT:

- sample assessment materials and mark schemes
- professional learning events
- examiners' reports on each Assessment
- direct access to the subject officer
- free online resources
- Exam Results Analysis
- Online Examination Review.

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Overview of Year 1

In Year 1, learners will develop understanding of foundational aspects of business, including about different business types, scales of operation, different types of market, the aims and objectives of businesses and their different stakeholders. Learners will also investigate different functional areas of business such as marketing, finance and HR, and will engage with challenging concepts such as ethics, exploring the tension that sometimes occurs within profitability and doing the right thing, and sustainability, considering how it affects businesses and their operations.

Learners will develop a wide range of business skills that are essential for a successful career in any business and be given opportunities to apply their learning and demonstrate their learned skills in their learning and in their assessments.

Areas of content:	
1.1	Exploring business fundamentals
1.2	Marketing principles for business success
1.3	Managing business finance
1.4	Managing human resources (HR)
1.5	Coordinating efficient business operations
1.6	Developing skills for business
1.7	Managing ethical business operations
1.8	Sustainable business

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How to read the Specification

WJEC Applied qualification specifications are written to be transparent and easy to understand.

The amplification provided in the right-hand column uses the following four stems:

- ‘Learners should know’ is used when learners are required to use direct recall.
- 'Learners should be aware of’ is used when learners do not need to understand all aspects of the specified content in detail. Further guidance for teachers on the depth and breadth to which content should be taught is provided in this Year guide.
- ‘Learners should understand’ is used when learners are required to demonstrate greater depth than straight identification or recall, for example they can apply knowledge to familiar or unfamiliar contexts and can synthesise and evaluate information for a given purpose.
- ‘Learners should be able to’ has been used when learners need to apply their knowledge and understanding to a practical situation or demonstrate application of practical skills and techniques.

The amplification provided includes all of the assessable content for the relevant section.

The use of the word 'including' indicates that the specified content must be taught and could be subject to assessment.

The use of the words ‘for example’ or ‘such as’ indicates that the specified content is for guidance only, and alternative examples could be chosen.

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YEAR 1 TEACHER GUIDANCE

1.1 Exploring business fundamentals		
	Content Amplification	**Teacher Guidance**
1.1.1	Learners should know what is meant by enterprise. Learners should understand: • the role of the entrepreneur in creating, setting up, running and developing a business • the motives of entrepreneurs, including financial, personal satisfaction, ethical and environmental and being own boss/independence • the characteristics and skills of entrepreneurs including risk taking, innovation, creativity, communication, self-confidence, and negotiation • the importance and impact of enterprise on the economy.	Learners start by gaining a deep understanding of what is meant by enterprise as the term will be used throughout this qualification. Learners must understand that business enterprise usually refers to a person, the entrepreneur, spotting a business opportunity and setting up a business. The entrepreneur will drive the formation of the business/enterprise and they will be responsible for running the business/enterprise over time. Learners could consider famous entrepreneurs. This may include contemporary entrepreneurs such as Mark Zuckerberg, Elon Musk, Sara Davies, Denise Coates and Jeff Bezos. They could also research entrepreneurs such as Henry Ford, Walt Disney and Thomas Edison to show that being entrepreneurial is not a new concept. Learners could create a word-cloud of different terms and topics that link to these entrepreneurs. Learners could interview the owner of a small enterprise in their area to find out how that entrepreneur generated the idea for the enterprise, the work they needed to put in to set up the business, and why their personal determination and belief in the enterprise is important. Learners could read a simple explanations of the role of the entrepreneur, their characteristics and motives at BBC Bitesize, then explore what initially motivated different entrepreneurs in their area to set up their business/enterprise.

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		Learners could read Santander Universities case studies on entrepreneurship. They could then watch the video from Two Teachers Nzinga Orgill: Entrepreneurship & Finding your Purpose, then research a range of entrepreneurs to include famous entrepreneurs or people that the learner personally knows such as friends or family members and discuss their motives for starting up a business. A range of examples from learners could be used to highlight that motives can be varied, and often personal. Understanding some of these motives will help learners with some of the later content in this topic such as setting aims/objectives for a business and business planning. Learners could think about the characteristics of successful entrepreneurs and make a list of shared common characteristics. They could then discuss how these characteristics support an individual to set up and run a successful business/enterprise. Learners could consider if they possess any of these entrepreneurial characteristics and whether they have the potential to be a success entrepreneur in the future by carrying out a short self-assessment or skills audit. Learners could also watch episodes from The Apprentice and discuss how these characteristics are demonstrated contestants. SMEs (Small and Medium-sized Enterprises) dominate the UK economy and learners need to be aware of the impact of enterprise on the economy. Learners could research UK Small Business Statistics at the National Federation of Self Employed & Small Businesses website, then investigate SMEs in their local area to appreciate the number and range. Learners could research educational institutions that are offering start-up accelerators such as USW Launch at the University of South Wales and read its case studies.

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1.1.2	Learners should understand the resources used by businesses, including: • human • physical • technological • financial. Learners should know examples of resources for each of the four resource headings. Learners should understand the importance of the effective use of different resources in support of business enterprise, operations and achievement of aims/objectives.	This section focuses on the four key resource categories in a business. This knowledge underpins many of the later topics as most of them have resource implications such as achievement of aims/objectives, financial performance, sustainability etc. To help learners to understand how businesses use resources and why it is important that each is used effectively, learners could read the strategic resources study notes at tutor2u then discuss the actions that business owners/managers may take to use resources effectively, e.g., planning resource needs in advance of carrying out tasks and taking steps to minimise waste. Learners could carry out a waste reduction exercise in their centre to identify ways that time, money or labour could be saved when completing tasks, then discuss e.g., how time saving for a local business may reduce labour costs, support efficiency and lead to improved customer satisfaction if customer wait times are reduced.
1.1.3	Learners should know that the product offered by a business may be a physical good or a service. Learners should understand the different types of market businesses can operate in, including: • business to consumer (B2C) • business to business (B2B) • different product markets • mass markets • niche markets • seasonal • local/global. Learners should be able to analyse key market data including market size, market share and trends.	All businesses produce a product. This may be a physical good or a service. Learners could read the simple explanation of both goods and services at BBC Bitesize, then create two posters, one for goods and one for services, showing relevant examples on each. Learners must also understand the different types of market businesses operate in and should be provided with practical activities to identify each market type. Learners should understand the features and characteristics of each market as this will help them to relate to the contexts used in the assessment of this vocational qualification. Learners could map the businesses in the locality, then write a short description for each to show whether it produces goods, services or both, and the market it sells to. Learners could be presented with a series of pictures representing familiar and obscure products to discuss. Learners should identify whether is each is a good or a service. Learners could then be presented with ‘mass’ and ‘niche’ cards to place near each product.

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		To help develop the quantitative skills required in assessment learners could calculate key market data, including market size, market share and trends. Learners could discuss how the results of key market data may support business decisions. They could practise using the results of quantitative data to analyse the implications on a business and/or trends shown.
1.1.4	Learners should understand: • that businesses operate at different scales, including local, regional, national and global • the impact of scale on business operations such as number of employees, use of technology, product range/portfolio, marketing decisions and financial requirements.	Learners should understand that businesses operate on different scales including local, regional, national and global, as assessments for the Level 3 Certificate and Extended Certificate will include examples of businesses operating on a range of scales. Teachers could lead a discussion on how scale impacts on business operations by considering a range of measures including number of employees, use of technology, product range/portfolio, marketing decisions and financial requirements which are covered in detail during the two-year curriculum. Discussing and displaying information on a range of different businesses with different scales in the classroom will give learners the opportunity to gain knowledge and understanding of this topic. SMEs (Small and Medium-sized Enterprises) dominate the UK economy and learners need to be aware of these businesses and their impact of enterprise on the UK economy. Many learners will set-up/run or work for a SME at some stage of their career so understanding this dominant sector is vital. Many learners, especially if new to studying business, will be familiar with many large businesses but less aware of the breadth, range and importance of SMEs. Learners could be given a range of businesses to research then match with each type of ownership. They could discuss the size and scale of each organisation based on their research and/or their own knowledge as a customer or consumer.

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		Examples should cover the full range of types of ownership, size and scale. Learners could revisit the map they created of the businesses in the area and add to this the scale of each business to show if it is operating locally, regionally, nationally and/or globally. They can then add details on business operations such as the number of employees etc. Learners could take examples of these different business and consider how managers will need to ensure any business decisions they make are appropriate for the scale of operation.
1.1.5	Learners should know what is meant by innovation. Learners should understand: • why innovation is important for business success • the competitive and dynamic nature of business.	Teachers could introduce the concept of innovation and how this is about putting a new idea or approach into action. They could lead a discussion on how successful innovation can create or add value by improving existing or developing new goods, processes or services, and how this can help a business to develop a competitive advantage. Teachers could introduce the concept of competition and ask learners to think about what businesses can do to continue to be successful with so many competitors in the market. These businesses could be ones they are familiar with such as those selling mobile telephones, sportswear or fashion retailers. Learners could research some of these businesses that have e.g., improved or developed new products. They could consider why innovation is important for business success and how it supports these businesses to survive/flourish in a competitive market/industry. The use of case studies is helpful so that learners can relate the theory to real-life business examples. Understanding this concept will support many of the topics covered over the two-year curriculum.

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1.1.6	Learners should understand: • the difference between the private, public and not-for-profit sectors • the different types of business ownership for private sector businesses including sole trader, partnership, private limited company (ltd) and public limited company (plc) including the advantages and disadvantages of each type of ownership • what is meant by unlimited and limited liability and the implications when deciding on business ownership • the factors that affect the choice and appropriateness of different types of business ownership • the different types of not-for-profit organisations, including social enterprises, charities and co-operatives and their main features including aims, ownership and use of profits. Learners should be able to recommend and justify an appropriate type of business ownership for specific businesses.	Teachers could explain how businesses operate in either the private, public or not-for-profit sectors and discuss the difference between these sectors and how the sector may affect operations, funding, aims/objectives and decision-making. Learners could read the study notes at tutor2u on different forms of business and private and public sector organisations then consider, using different examples of businesses operating within each of the three sectors, how the features of the sector impact on operations and decision-making. The private sector is the primary focus of this curriculum and learners need to understand the features of the four main types of business ownership which are sole trader, partnership, private limited company (ltd) and public limited company (plc). This topic includes more content than the preceding ones and it is important that learners have time to understand the features and relative advantages/disadvantages of each type of ownership. This could be approached in different ways, but learners could start by looking at the study notes from tutor2u that introduces business ownership to gain an understanding of the topic. The use of case study examples can also help learners relate to the different business types and identify the features and relative advantages/disadvantages for themselves. Centres could use links with local business owners/entrepreneurs who could be invited to speak to learners about their businesses and why they chose a specific type of ownership for their own business. Learners may be less familiar with not-for-profit organisations than private and public organisations. After an explanation on the different types from the teacher, they could research different not-for-profit organisations to build their knowledge. There may be examples within the local area that learners could contact, as well as national and international examples. Using directories, learners could consolidate their knowledge by classifying businesses into private, public, and not-for-profit. They could also classify them by the countries in which they operate and so build on the understanding gained in 1.1.4.

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		Unlimited and limited liability feature in the relative advantages and disadvantages of the types of ownership. This can be a complex concept for some learners, and it is important to cover it in sufficient detail to avoid any misconceptions. Learners can explore some simple examples of limited and unlimited liability and the effects for business owners at BBC Bitesize and in the study notes from tutor2u. The use of case studies can help learners appreciate the impact of unlimited liability on the owners if the business experiences financial problems and also how limited liability can provide personal protection. Assessments for the Certificate and Extended Certificate will include a range of different types of business ownership, so learners need an understanding of the relative features to make appropriate decisions. Learners may be required to recommend an appropriate type of business ownership, or a change of business ownership, so they need to understand the factors that affect the choice and appropriateness to support their justification in assessed work, such as business aims/objectives, level of control, scale of operation and risk/liability.
1.1.7	Learners should understand the importance of planning for new and established businesses. Learners should understand the different aspects of business activity that should be planned, including what resources are needed (human, physical, technological, financial), products to sell, how to source the products and how to attract and retain customers. Learners should be aware of the role of a business plan for new and expanding businesses.	This topic is not about writing a business plan. Learners will not be asked to prepare a business plan and not required to know the headings of a business plan. Learners only need to be aware of the role and importance of a business plan for new and expanding businesses, for instance to support a finance application which links to sources of finance in topic area 3. Teachers could introduce business planning and the importance of planning business operations for new and established businesses. Learners could then discuss how planning can help the resources to be used more efficiently and also support likely success. All of these aspects are considered in more detail throughout the two-year curriculum, so learners only need a high-level appreciation at this point linked to planning activities.

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		Learners could read an explanation of the role of business planning in the study notes at tutor2u, then imagine that they are setting up a small business. Which aspects of business activity would need planning and why? They should consider the possible resource needs of their business, the products they intend to sell, how they would source these products and how they would attract and retain customers.
1.1.8	Learners should understand the aims of private sector businesses, including: • survival/break-even • growth/development • maximise profit • increase sales revenue • increase market share • positive environmental impact • positive social impact • positive ethical impact. The role of more specific business objectives to help achieve business aims. Learners should understand the purpose of SMART (Specific, Measurable, Agreed, Realistic and Timed) objectives and be able to construct appropriate SMART objectives for a business.	Learners need to understand that all businesses need aims (sometimes referred to as business goals) and objectives. However, this topic focuses on the aims of private sector businesses so examples used to support the delivery of this area should focus on this sector. The specification includes a range of popular business aims and learners should understand each of these examples. The role of more specific business objectives to help achieve the aims of the business should also be understood. Teachers could discuss with learners how aims and objectives support each other and cascade. For example, the aims are general statements of intent and tend to remain constant over time whereas the objectives support the aims. Objectives are more specific goals/targets that the business wishes to achieve over the next one to three years. Objectives should also be aligned to the aims, but the exact content will change over time. SMART is an acronym used by many businesses when constructing appropriate objectives. Learners need to know what SMART stands for, understand the purpose of SMART objectives and be able to construct appropriate SMART objectives for different types of businesses. The assessments will focus on a specific business example and learners should be able to construct appropriate SMART objectives for those examples. Learners could discuss a range of businesses they are familiar with and create SMART objectives for each e.g., ‘To achieve a 10% net profit by 31 July’, ‘To generate 15% revenue from online sales before 31 August’, or ‘To recruit two new people to the sales team by the beginning of May’. Once they have been given the opportunity to practise writing SMART objectives for a range of different businesses, they could explain why they are SMART.

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		Learners can explore some simple examples of business aims and objectives and the use of SMART objectives at BBC Bitesize and in the study notes from tutor2u.
1.1.9	Learners should understand the different types of stakeholders involved in business activity, including: • internal stakeholders including employees, managers, directors and owners/shareholders • external stakeholders including customers, members of the local community, government, regulators, competitors, suppliers, investors and lenders. Learners should understand the aims of the different stakeholders. Learners should understand: • the impact of stakeholder activity/actions on the business, such as offering/withdrawing financial support, protesting, striking, social media posts/reviews, and purchasing decisions • the impact of business activity on different stakeholders. Learners should be able to explain how stakeholder aims may conflict with those of the business and other stakeholders. Learners should be able to recommend and justify ways that a business should respond to specific stakeholder activity/actions.	All businesses have stakeholders. Teachers could lead a discussion on how stakeholders can be internal or external, using a range of different stakeholders to help learners categorise the stakeholders of different businesses as either internal or external. Some resources may categorise stakeholders in different ways but the examples used within the content amplification should be used when delivering this topic. Learners could research businesses in their area and give examples of possible internal and external stakeholders for each businesses. They could consider how stakeholders will each have their own aims. For example, customers may be looking for the lowest price whereas owners/shareholders may be hoping to maximise profits. Learners need to understand the actions that each stakeholder may take to influence business operations according with their motives/aims such as offering/withdrawing financial support, protesting, striking, social media posts/reviews and purchasing decisions. Learners could work in groups, each being a different stakeholder group for a given business such as employees and the local community. They could then discuss and list the aims that they may have. This will help learners to think from each stakeholder's perspective. They can then take part in a group discussion on an idea posed by the teacher (such as the business planning to become more sustainable) and discuss the impact that they feel this may have on their stakeholder group, and the possible actions they may take. Learners could discuss how the actions of stakeholders may affect a business, for instance in a scenario where employees are taking industrial action when a pay rise is rejected. Going on strike will disrupt operations as production may be halted and/or stores may have to close if there are no employees to operate them. This will inconvenience other stakeholders such as customers as they will be unable to purchase products and the business's financial performance will be negatively affected. Managers will be keen to avoid these impacts and may be forced to offer a pay rise to maintain operations.

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		There may be examples of stakeholders taking action at the time of delivery, e.g., protests and/or social media posts that can be used to illustrate this content. Learners need to understand that stakeholder motives/aims may conflict with those of the business and be able to recommend appropriate responses. Teachers should use different business examples during the delivery of this topic to highlight how the aims could conflict and examples of how familiar businesses have responded to stakeholder activity/actions. This is a contemporary topic so the use of topical recent examples is important to support learning. Teachers could provide learners with a fictional change in their centre and lead a class discussion on which stakeholders may be affected and how their motives/aims may differ. For example, an extension of the school day by adding an extra lesson in the afternoon or introducing lessons on a Saturday morning etc. Learners may be able to relate to the example and this activity may generate quite emotive responses as learners consider the impact of a business change from their own perspective.
1.1.10	Learners should understand the supply chain process and the stages involved, including: • sourcing raw materials/stock • logistics – delivery/storage/manufacturing • inventory (stock) control • delivery of finished products to the customer. Learners should understand the importance of an effective supply chain, potential risks of supply chain disruption and the impact on business operations. Learners should be aware of the ethical and environmental considerations on the supply chain.	All businesses rely on a supply chain and learners need to understand the supply chain process and steps involved. This topic links to topic areas 7 and 8 regarding ethical and environmental considerations and the supply chain. A combined teaching approach for these topics could be considered to condense delivery time and help learners understand the holistic nature of supply chain decisions. Learners can read a simple explanation of the supply chain at BBC Bitesize, then read the article from the Institute for Government on Supply Chain Problems and discuss supply chain problems and their possible causes. Teachers could lead a discussion on supply chain ethics and ask learners to consider how the ethical values of a business may impact on their supply chain. Technology affects the supply chain process and learners could discuss ways that technology has impacted on the supply chain using case study examples to help them to apply the theory to a vocational context. For example, learners could read the Amazon article '10 years of Amazon robotics' and discuss how the use of robots benefits the operations of the business.

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	Learners should understand the growth and impact of technology in relation to supporting the supply chain process, including: • instant data for inventory (stock) management and forecasting demand • automated and integrated systems linking supply and manufacturing • real-time tracking on deliveries • robotics used to speed up assembly or picking.	Developing links with businesses and arranging visits which enable learners to witness first-hand how technology supports the supply chain process may also help learners to understand the importance of technology in a competitive business environment.
1.1.11	Learners should understand the factors influencing the location of a business, including proximity to market, proximity to supplies/materials, costs, infrastructure, and labour supply. Learners should understand the siting factors in different locations, including accessibility, costs, size, footfall and closeness to competitors. Learners should be able to select and justify the most relevant location and siting factors for a range of different businesses and be able to make location decisions for a specific business.	Location is an important decision that affects all businesses. The specification content can apply to traditional operations and digital operations, as clusters of employees with the required digital skills to operate e-commerce enterprises may centre around a college/university that specialises in relevant courses and/or clusters of organisations relying on staff with similar digital skills such as Silicon Valley. Learners could read a simple introduction to business location at BBC Bitesize and in the study notes from tutor2u. Learners could then research a number of well-known business and create a set of a resources to show the possible factors that influenced their location. Learners could investigate the industries in their area and any local/regional specialisms. They could also consider how technology affects location decisions and whether location decisions are more/less important than in the past. Learners could be given a number of fictional businesses and asked to apply the factors influencing location and justify their location decisions for each business.

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YEAR 1 TEACHER GUIDANCE

1.2 Marketing principles for business success		
	Content Amplification	**Teacher Guidance**
1.2.1	Learners should understand the purpose of marketing to support an organisation's success.	Topic area 2 focuses on the marketing function. The first content area involves learners understanding the purpose of marketing and how it supports the success of any organisation. They need to keep this understanding in mind throughout the subsequent topics. Learners may bring their knowledge of marketing through their experiences in their daily lives or experience at work. This could be in a B2B or B2C context. Many learners may start this topic by assuming that they understand the term 'marketing' and exploring their initial knowledge is a helpful way of exploring and addressing any misconceptions. Teachers could introduce the concept of marketing and explain some common marketing terms. Learners could then share their current knowledge of marketing, for example considering how marketing influences our daily lives. Learners could also discuss the following statement – 'Marketing is communicating an idea to an audience' using the learners' examples to support the discussion on marketing and its use in business organisations.
1.2.2	Learners should understand: • the purpose of market research, including to reduce risk, to aid decision making, to understand the market, to gain customers' views and understand their needs/wants, to inform product development • what is meant by primary and secondary market research and the advantages and disadvantages of each.	It is important for managers to carry out market research to understand the market and customer needs/wants before making key marketing decisions. Consequently, it is important for learners to be introduced to the purpose of market research and types of market research so that appropriate decisions can be made. Teachers could introduce what is meant by primary and secondary market research and discuss the relative advantages/disadvantages. Learners who are familiar with or have participated in a market research project could discuss their experiences with the group.

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	Learners should know: • different primary market research methods including observations, mystery shopper, surveys, interviews, focus groups, test marketing / pilots • different secondary market research sources, including printed materials, internal data, social media, competitors' data, external company accounts/annual reports, government publications/statistics and specialist market research agencies • market research methods/sources to include traditional and digital methods • what is meant by sampling. Learners should understand the advantages and disadvantages of the different methods of primary market research and sources of secondary market research. Learners should understand how market research data can be quantitative and qualitative. Learners should be able to • select suitable primary and secondary market research methods/sources for businesses • create appropriate market research tools and test before use • carry out primary and secondary market research using an appropriate sample • present market research data in a range of different formats to effectively communicate the findings • interpret and analyse findings	Learners could discuss a market research project they carried out in the past or could undertake a small-scale market research project to support their learning. Drawing on this experience is an effective way to help learners understand the advantages/disadvantages of primary and secondary market research. Primary and secondary market research are umbrella terms that cover a range of different methods/sources. Learners need to be familiar with a range of primary market research methods and secondary market research sources so that they can effectively recommend appropriate choices for specific business scenarios. The market research methods/sources should include traditional and digital methods. Learners can explore Market Research at BBC Bitesize to help their understanding or for revision. As this is an applied vocational qualification, learners need to be able to carry out primary and secondary market research using a range of methods/sources and interpret the findings from the data collected. The data collected can be quantitative or qualitative and learners need to understand the differences and the appropriateness of different types of data for specific contexts. The data findings can be presented in a range of formats and teachers could lead a discussion on the different presentation formats and how to select an appropriate method for specific contexts. Learners could read about sampling in the Tutor2u study notes and consider its advantages and disadvantages. A quiz on research methods (made e.g., through Quizlet or Kahoot!) could be used as a classroom activity with learners working together to answer the questions set by the teacher. Significant resources are often invested in market research projects and learners could discuss how and why it is important to review the quality of market research using the criteria of fulfilling the market research purpose, accuracy of data, relevance/up-to-date, reliability and validity.

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	• review the quality of market research that has been carried out using the following criteria:
	  • fulfilling the market research purpose
	  • accuracy
	  • relevance and up-to-date
	  • reliability
	  • validity.
		Learners could be given marketing case studies that allow them to make judgements regarding the effectiveness of market research decisions.

1.2.3	Learners should understand: • the importance of identifying the right customers for a business • what is meant by market segmentation and ways to segment including demographics, geographic, behavioural, and psychographic • the benefits of identifying a target market and targeting specific customers. Learners should be able to make and justify decisions regarding the most appropriate customers/market segments to target for a specific business.	Marketing is a customer-focused function and managers must be able to identify the right customers for a business. These customers could be from a B2C or B2B market. Businesses want to ensure that their marketing efforts are targeted to ensure that resources are utilised efficiently. Teachers could lead a discussion on what is meant by market segmentation and ask learners to consider the different ways that a market can be segmented covering the ways shown in the content amplification. Learners could then discuss the benefits of identifying a target market and targeting specific customers. The use of business examples that learners are familiar with can help them to understand the benefits and approaches that can be used to target specific customers. Learners could visit YouTube and watch How Gymshark uses Market Segmentation from Two Teachers to help their understanding. Learners will need to use their knowledge and understanding to make and justify segmentation decisions for specific business scenarios. Learners could practise this skill by considering a range of contexts and customer groups. Learners could consider the type of business that may be targeting them with their goods and services, thinking about e.g., Where does their family do their main grocery shopping? How many times a month does their family go shopping for non-food items? What are their family's five favourite non-food shops? What type of accommodation do they live in? What is the age range of their family? What sporting and leisure activities does their family enjoy? etc.

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		Learners could then read about Audience ad targeting on Facebook on the importance of defining a target audience.
1.2.4	Learners should understand: • the marketing mix elements for a good/service including product, price, place and promotion • how the elements of the marketing mix work together • how the marketing mix may be altered over time and in response to external factors. Learners should be able to create and justify an effective marketing mix for a specific product or business.	Learners must understand the 4Ps of the marketing mix (product, price, place and promotion) as shown in the content amplification. An awareness of the additional three Ps for a service is not required. Teachers could lead a discussion on the ways that businesses use elements of the marketing mix (4Ps) to achieve overall business objectives. Examples should be given of effective and ineffective marketing to allow the learners to discuss these and add their own examples. Case studies and scenarios can be used to prompt group discussions. Learners could list the 4Ps of the marketing mix and apply these to one good and one service of their choice. Learners could choose two suitable businesses within the same competitive market to research and compare how these different businesses apply the various elements of the 4Ps marketing mix. Learners could discuss how decisions regarding each of the marketing mix elements will impact on the others and consider the importance to a business of having an integrated marketing mix. Marketing is dynamic, and a business will regularly review and adapt its marketing mix over time to support continued success. Learners could read the simple explanation of How the marketing mix changes in response to market factors from BBC Bitesize and then discuss how a change in external and/or internal factors may necessitate changes to the marketing mix of a range of businesses they are familiar with. Learners could create and justify an effective marketing mix for a specific product and/or business. This could be for a new good/service, e.g., a new food product or computer game.

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		Guest speakers could be invited from local and national businesses to talk about marketing. Learners could be asked to prepare suitable questions prior to the speaker's arrival on the subject of marketing and how this has helped the business to be successful. This should ensure that learners are getting the most out of this activity.

1.2.5	Learners should understand:
	• the range of products offered by a business including the concept of product portfolios and role of new product development
	• issues relating to product design, including:
	  • use of market research to support product design
	  • the concept of differentiation and ways to differentiate a product
	  • the importance of branding
	  • the concept of developing a Unique Selling Point (USP) and methods that could be used to develop, such as enhancing the quality, differentiation, branding, customer service.
	
	Learners should be able to understand, construct and interpret product life cycles (PLCs) including the stages (development, introduction, growth, maturity and decline) and the use of extension strategies.
	
	Learners should be able to recommend appropriate marketing mix decisions according to the product life cycle stage of a specific product.
	
	Learners should be able to recommend appropriate extension strategies for a business/product, including moving into new markets (geographic or target market), adding value, changing the price, advertising or new packaging.
		Learners are introduced to product (goods and services) in topic area 1.1.3.
		
		Product is a central part of the marketing mix. Many business offer a range of products and learners should understand the concept of product portfolios and role of new product development. Real life business examples should be used to consider why many businesses avoid relying on one product.
		
		Learners could research a business, for example Apple, and list its product lines such as iPhones, iPads, Apple Watches etc., and the products it sells under each.
		
		Teachers could introduce the issues relating to product design, including the use of market research findings, concept of differentiation, use of branding and the development of a clear USP. The use of case studies could help learners understanding as they can see how well-known products were created, e.g., the design of a new mobile phone.
		
		Teachers could introduce the product life cycle model and lead a discussion on how a business will make appropriate marketing decisions based on the specific life cycle stage of a product (development, introduction, growth, maturity and decline).
		
		Learners could sort examples of products into the appropriate stage using common products e.g., self-driving cars, electric vehicles (EVs), people carriers, diesel cars etc.
		
		Teachers could lead a discussion on extension strategies and how they are used to prolong the life of a product.
		
		For example, they could discuss how Coca-Cola added different variants to appeal to different target markets, e.g., Diet Coke, Vanilla Coke etc., and how mobile phone manufacturers update handsets over time to maintain sales.

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		The new model may include design changes and also new features/functions to keep up to date with new technology and consumer tastes. Examples should be used to help learners apply their learning. Learners could visit YouTube and watch the Product Life Cycle video from Two Teachers or What is a Product Lifecycle? from the Marketing Business Network to consolidate their understanding. Learners could research the product portfolio of well-known business and share examples of goods and services at each stage of the product lifecycle with the class. Learners will be required to recommend appropriate marketing mix decisions to extend the life specific products and/or businesses. The implications of these decisions should be acknowledged by the learner. Learners could be given examples of fictious businesses with sales data over time. They should be asked to recommend how the marketing mix should be adapted to extend the life of the product.
1.2.6	Learners should understand the concept of promotion and that it includes advertising, sales promotion and public relations. Learners should understand the different advertising media used, including: • traditional/ non-digital media, including print (leaflets, flyers, catalogues, newspapers, magazines), direct mail, posters, billboards and broadcast such as television, radio, cinema • digital media, including websites, emails, online advertising (banners and popups), social media, SMS texts, podcasts, blogs and vlogs. Learners should understand the different sales promotion techniques used, including discounts, competitions, buy one get one free (BOGOF), point of sale advertising, free gifts/product trials and loyalty schemes.	Promotion is an important marketing mix element and learners need to understand that promotion is an umbrella term to cover advertising, sales promotion and public relations. Each of the three types of promotion should be covered in detail. Teachers should introduce both different traditional (non-digital) and digital advertising mediums and explore a range of sales promotion and public relations techniques. Learners could then discuss the relative advantages and disadvantages of each medium/technique listed in content amplification so that they can make appropriate promotional decisions for a specific product and/or business. Learners could explore the Advertising study notes at tutor2u, then read and discuss the article 'Burberry looks to target a younger audience through ad campaigns with Marcus Rashford'. Learners could explore how large businesses promote their products e.g., the Tesco 'Food Love Stories' campaign, find examples of different methods of promotion, from traditional print ads to the latest social media trends and discuss the impact on users/buyers.

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	Learners should understand how different public relations techniques may be used including product placement, celebrity endorsement, sponsorship, press/media releases and conferences. Learners should understand: • the advantages and disadvantages of different types of advertising media, sales promotion and public relations techniques • the importance of selecting the right advertising media, sales promotion and public relations techniques for businesses. Learners should be able to create and justify suitable promotional activities (advertising, sales promotion and public relations) for businesses and consider ways to evaluate their potential success. Learners should be able to create effective traditional/non-digital and digital promotional materials that are appropriate for specific businesses and/or products with regard to: • design features including use of persuasive language, grammar, spelling, punctuation, use of images, use of colour, suitable for target audience (existing and new customers) and supporting the marketing mix • design principles including easy to understand, clear message, eye-catching and consistent with brand image.	Learners could explore how small businesses use online marketing for example by reading 10 small-business marketing ideas you can easily execute online from Moo. Learners could visit the Chartered Institute of Public relations (CIPR) to find out more about PR. Many businesses create multi-channel promotional campaigns and learners should practice designing robust promotional plans with a specific target customer in mind and show how the business could evaluate the success of the plan against the value of the resources invested. Learners should be given practical opportunities to create effective traditional/non-digital and digital promotional materials that are appropriate for specific businesses and/or products. Assessments will not assess the learner's artistic skills but will assess the appropriateness of decisions made and judgements.

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1.2.7	Learners should understand the factors to consider when pricing a product, including the price of competitor products, the economy, cost of production, stage of the product life cycle, and supply and demand issues. Learners should understand the different pricing strategies used by businesses, including skimming, penetration, psychological, cost-plus, premium and competitive and the advantages and disadvantages of the different pricing strategies. Learners should be able to select, recommend and analyse different pricing strategies for different businesses.	Price reflects the financial value of a product. The price must be selected carefully, and learners need to understand the factors that should be considered to ensure that the price is appropriate. Learners should be introduced to the specific pricing strategies identified in the content amplification (skimming, penetration, psychological, cost-plus, premium and competitive pricing). Learners could discuss these pricing strategies, identifying those they familiar with from their own purchasing experiences and sharing examples of each. Learners could consider the features, advantages and disadvantages of each pricing strategy and select and recommend suitable strategies to different products provided by the teacher. They could also use business case studies for analysis. After an introduction to the factors that influence price, learners could research examples of different pricing tactics from different business. Learners could visit YouTube and watch How Microsoft use Price Skimming and Pricing Strategies Explained from Two Teachers to consolidate their learning.
1.2.8	Learners should understand: • the different direct and indirect distribution channels businesses use to sell products including wholesalers, agents, and retailers. • the use of physical stores and digital distribution including websites, social media, online auction sites and apps • the use of multi-channel distribution • that different businesses will use different distribution channels.	A product needs to accessible so that customers can conveniently purchase. Learners could consider how businesses sell/display products to customer groups e.g., in shop window versus online. Learners could then investigate distribution channels for different businesses. Although physical stores are important for many businesses, digital channels are becoming increasingly prevalent. Learners could work together to investigate and discuss ‘place’ in the marketing mix to include how it applies to both brick-and-mortar operations, and to online sales/e-commerce. They could research businesses that use ‘bricks’ (offline), ‘brick and clicks’ (offline and online) and ‘bricks, clicks and flips’ (offline, online and catalogues).

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	Learners should understand the growth and impact of digital channels of distribution. Learners should be able to analyse, select and recommend distribution channels for different businesses.	Learners could research and discuss the impact of digital distribution. They should explore the use of digital channels to include websites, social media, online auction sites and apps. Learners could read the blog Multi-channel distribution system: Benefits, drawbacks, and strategies from QuickBooks then may be able to share their own purchasing experiences to exemplify the use of multi-channel distribution. They could discuss the benefits of this approach when targeting specific customers. Learners could research different products and/or target markets and note how different distribution channels will be more appropriate for specific businesses. For example, hairdressers/barbers cannot provide hair cutting services via digital distribution channels as they need to physically interact with the customer, whereas other product types are better suited to digital channels such as music downloads. They could also explore how the target market may also make some distribution channels more appropriate, e.g., products aimed at older age groups are less likely to be sold online than products aimed at twenty-somethings. Learners could visit the Eurostat website and read E-commerce statistics for individuals which may help them to analyse, select and recommend distribution channels for specific products and/or businesses.

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YEAR 1 TEACHER GUIDANCE

1.3 Managing business finance		
	Content Amplification	**Teacher Guidance**
1.3.1	Learners should understand: • the different sources of income for a business including revenue, income from investments and rent received • the different types of business expenses including utilities, rent, stock, raw materials, production, wages/salaries, advertising, stationery, fuel, insurance, interest on borrowing. Learners should understand what is meant by revenue, costs and profit/loss. Learners should understand the different types of business costs, including fixed, variable, semi-variable and total costs. Learners should be able to calculate and interpret revenue, costs and profit/loss. Learners should be able to evaluate the impact of revenue, costs and profit/loss on the financial performance of businesses. Learners should understand ways in which businesses can improve financial performance including, increase sales revenue, reduce costs, increase profit and reduce loss and explain their benefits and risks.	Business finance includes a range of specific terminology which learners need to understand as it will be regularly revisited over the two-year curriculum. This topic starts by introducing learners to key finance-related terminology. Learners should understand the terms revenue, costs and profit/loss and be able to use the correct terms in assessed work. Learners should be provided with practical activities to identify the different sources of revenue and business expenses associated with different types of businesses. Guest speakers could be used to help illustrate the different sources of revenue/ and business expenses for different types of businesses. Learners should be able to calculate revenue from sales (unit sales price × number sold) and practical activities should be used to develop confidence in their calculations. They should also understand revenue can come from other sources such as income from investments and rent received. Local case studies and guest speakers could be used to illustrate examples for the learners. Learners could also research some well-known brands and consider the main sources of revenue for each brand. Learners could discuss how streaming services such as Netflix do not sell goods but gain their revenue from monthly subscription fees. Learners can read about how these businesses were competing for customers in lockdown in 2020 Streaming services compete in a locked-down world. Opportunities should be offered for learners to practice calculations and interpret the quantitative data to make judgements about the financial performance of businesses.

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		Learners will need to use their knowledge of revenue and costs in order to calculate gross and net profit. They will need to able to calculate total revenue and total costs before moving on to look at how profit is calculated. Teachers could introduce the concept of profitability and lead a discussion on the methods a business may use to increase this. Boosting profitability is not easy and learners need to understand the potential risks of strategies employed. Learners could explore how profits can be boosted by increasing revenue. They could consider what would happen if a business increased the selling price for a good, e.g., the risk if customers cannot afford higher prices and/or competitors sell similar products for a lower price. Increasing the price could therefore lead to sales revenue reducing if the quantity sold declines significantly. This could be demonstrated to learners using examples to help them understand the concept such as comparing a school canteen that is not popular with learners to a popular local café. What would happen if each business put its prices up – is it likely to keep its current customers or attract new customers? How would this affect its profitability? Learners could consider if reducing the costs of producing the good or service may boost profitability e.g., purchasing cheaper materials. Again, this could be demonstrated to learners using examples to help them understand the concept such a local hairdresser or barber. If it changes to a cheaper brand of e.g., of shampoo and hair gels these may be of a lower quality which may affect the quality of the service provided. This could lead to customer dissatisfaction. Learners could consider a manufacturing scenario where cheaper raw materials are used. This could lead to costly increased faulty product returns and complaints. Replacing/repairing the faulty products could cost more than the savings from the cheaper raw materials.

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		Learners could be provided with case study data from a business to carry out their own profitability calculations. They can then use these data sets to discuss how revenue and costs could be changed to improve the level of profit for the business.
1.3.2	Learners should understand: • the concept of break-even and break-even analysis • what is meant by contribution and its application to the calculation of break-even • what is meant by margin of safety • how businesses make use of break-even. Learners should be able to: • calculate contribution • calculate break-even using contribution • construct and label a break-even chart, including identifying the break-even point, margin of safety, area of profit and area of loss • interpret contribution calculations and break-even charts • illustrate the impact of changing revenue and/or costs ('what if analysis') using a break-even chart. Learners should be able to evaluate the usefulness of a break-even analysis for businesses.	Breaking-even is an important milestone for a business as it is the point at which neither a profit nor a loss is made. Learners need to understand how why a business will predict break-even and use and break-even analysis as a planning tool. This topic relies on learners understanding of the difference between different types of costs as they will need to categorise costs to calculate break-even. Teachers could lead a discussion on break-even, explaining how the break-even point is always expressed in units and not money, and showing how on a break-even chart it is plotted to the horizontal axis. Teachers could explain the formula: Break even = fixed costs ÷ (selling price - variable cost) and demonstrate its use. Teachers could give examples of different business and explain how each would give the break-even point in units (never as a financial amount) such as a cake manufacturer would use the number of cakes they must sell. Learners could be asked to classify the costs for a case study business i.e. fixed, variable and total costs. Using these figures they could calculate the break-even point (using table and formula) and draw and label the break-even chart. Teachers could introduce the concept of margin of safety and illustrate this with reference to financial data. Teachers could explain the calculation: margin of safety = estimated sales - break-even point and how this is the gap between the estimated sales output and the level by which sales could decrease before the enterprise becomes unprofitable, making it a 'cushion' for the business. Learners could consider the importance to a business of having a large margin of safety (MOS) to assure that it is protected from sales variability and how the MOS can indicate a smaller risk of loss if there is a drop in sales.

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		As this is an applied vocational qualification, learners should be given data sets and practise using this key financial data to calculate break-even (both using a formula and by constructing a break-even chart). Learners could be given second data sets so that they can illustrate the impact of changing revenue and/or costs on the break-even point. Learners could be given a number of practical activities to complete e.g., examples of incomplete break-even charts and to be labelled; sets of financial data for a business to enable them to draw and annotate break-even charts; complete charts with questions that require them to interpret the chart (this could include identifying profit or loss at different levels of output or the size of the margin of safety). Learners could be given three different break-even charts, representing three proposed start-up businesses. Learners could then discuss which business they think might be the best business to start, and the importance of having a low break-even point and a large margin of safety. Learners could use case studies to analyse break-even information, and answer questions on the impact of different levels of revenue/costs on the break-even point and margin of safety. Break-even is a popular business planning tool and learners need to be able to evaluate its usefulness so that it is used in appropriate situations to add value to decision making. Learners could discuss the use of break-even analysis for a start-up business. They could consider the benefits of knowing the break-even point and margin of safety for its products, but the drawbacks of having to carry out the calculation for each product it sells. Break-even uses quantitative data to support business decision making and learners should think about the value of this type of data and the impact of other qualitative issues such as economic factors and/or competitor behaviour.

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1.3.3	Learners should understand the reasons why a business may need additional finance, including a business start-up, expansion, and to solve cashflow shortages. Learners should understand different sources of finance, including: • short-term and long-term • internal, including owner's capital, retained profit, sale of assets • external, including overdrafts, loans, credit cards, new partners, share capital, venture capital, leasing, hire purchase, trade credit, debt factoring and crowdfunding. Learners should understand: • the advantages and disadvantages of different sources of finance • factors affecting the appropriateness of a source of finance for a specific purpose. Learners should be able to select and justify appropriate sources of finance for different business scenarios.	All businesses need finance to start-up, operate, expand, etc. Learners could discuss the reasons why different business may need finance, and the sources of finance that may be available to them. There are numerous sources of finance and learners should consider the timescale the finance is needed for and whether this source of finance would be internal or external to the business. Learners could complete a grid to compare the different sources of finance with columns for short-term or long-term, internal/external and a basic descriptor. Learners could create leaflets to show the features and relative advantages/disadvantages of each source of finance shown in the content amplification. Learners could research different sources of external finance e.g., by visiting the websites of banks, local councils and crowdfunding sites. They could research the costs of each source of finance and work out the cost of borrowing £10,000. Learners could be given a case study of a business owner who wants to apply for finance. They could explain the information the business owner will have to give to the provider of finance, and why the providers have to consider this information, e.g., a bank is a profit making business and only wishes to lend to customers that will repay money lent. They use the information within the application to assess the level of risk and will often adjust the interest rate to reflect the risk. Case studies can be used to promote understanding of different sources of finance and help learners to select and justify appropriate sources for different scenarios. Learners could explore how the appropriateness of sources of finance can vary depending on a range of factors, e.g., type of ownership as issuing share capital would not be suitable for a sole trader or partnership. The reason for needing finance may also affect the appropriateness, e.g., a short-term source of finance such as an overdraft would not be suitable to purchase land.

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		Learners can read Sources of finance at BBC Bitesize to help their understanding or for revision.
1.3.4	Learners should understand the elements included in an income statement, including: • revenue • cost of sales, including opening inventory (stock), purchases and closing inventory (stock) • expenses • gross profit • net profit. Learners should be able to calculate gross profit and net profit. Learners should be able to construct, complete and interpret an income statement for different business scenarios. Learners should be able to recommend ways businesses can improve financial performance, including ways to improve gross and net profit.	An income statement is a key financial document and learners need to know the key elements as listed in the content amplification. Although income statements are also known as profit and loss accounts, the term income statements is used throughout this qualification. Learners could start by recapping on Revenue and costs at BBC Bitesize. Learners could then be given opportunity to construct, complete and interpret income statements for different businesses. Learners could practise constructing an income statement for a specific business using given data to complete a blank template or calculate the missing figures in a partially completed income statement. Learners could revisit the calculation of profit covered in 1.3.1 and calculate the gross and net profit using given data. Learners could analyse a range of income statements and make a judgement on the financial performance of each business. They should explore how increasing/decreasing revenue and increasing/decreases expenses may affect profitability and recommend ways for their given business to improve its financial performance. Learners will build on the knowledge and understanding from this topic in the second year of the qualification when analysing business performance in more detail.

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1.3.5	Learners should understand the concept of profitability and its importance. Learners should be able to calculate profitability ratios including the: • gross profit margin percentage (GPM) = (gross profit ÷ revenue) x 100 • net profit margin percentage (NPM) = (net profit ÷ revenue) x 100. Learners should be able to interpret and evaluate profitability ratios to assess business performance.	Learners will be introduced to two important profitability ratios which are the gross profit and net profit margin percentages. These ratios complement additional financial ratios covered in the second year of the qualification. Teachers could explain how these profitability ratios are calculated using the formulas outlined in the content amplification. Learners should practise using these formulas as they may need to recall and apply these in their external exam. Learners could be given case study materials and asked to interpret and evaluate the results of the profitability ratios to assess business performance. They could make judgements about whether business performance is improving or deteriorating over time and suggest ways of boosting profitability, e.g., by reducing expenses.
1.3.6	Learners should understand the meaning of cash flow and its influence on a business. Learners should be able to recognise the main causes of cash flow problems and the strategies that can be used to improve cash flow, including increasing cash inflows and reducing cash outflows, and the advantages and disadvantages of these cash flow strategies. Learners should understand the meaning and purpose of cashflow forecasts. Learners should be able to construct, calculate and interpret a cashflow forecast. Learners should be able to evaluate the impact of a cashflow forecast on businesses.	Maintaining sufficient cash in the business is vital for survival and learners need to understand what is meant by cash flow and how cash inflows and outflows are calculated. Learners should be clear that cash flow is NOT related to profitability. Learners could research and discuss the main causes of cash flow problems and strategies that managers can use to improve the situation including the relative advantages and limitations. Learners could explore how business must have enough money available to cover the day-to-day running of the business such as paying wages and suppliers and paying for consumables such stationery, printer ink or fuel for vehicles and how the timing of these inflows and outflows can cause cash flow problems for the business. Learners could explore how the timings of inflows and outflows can impact on a different types of business such as retailer, manufacturer, seasonal business, and a business with large projects. This topic links to content covered in the second year of the qualification, for instance learners will cover statements of financial position 2.7 Measuring Business Performance so will cover debtors and creditors in more detail. However, a basic understanding of purchasing/selling on trade credit terms should be covered in the sources of finance section which underpins the rationale behind debt factoring, increasing trade credit from suppliers and reducing trade credit offered to customers.

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	Learners should be able to evaluate the benefits and limitations to a business of using cashflow forecasts.	Some learners may find these topics challenging so addressing them in a piecemeal manner is appropriate. Learners could discuss the role of cash flow forecasting in terms of listing the inflows and outflows of the business and how a cash flow forecast may be used to support planning and decision making. A case study could be used to illustrate the importance of cashflow forecasting and how it may help to prevent negative cash flow balances in a business. They could discuss how poor cash flow can mean that a business may not be able to function and may lose the ability to meet the needs of its customers. A guest speaker from local business or a bursar at the centre could be invited to share their own experience of cash flow forecasting and the impact it has on the success of the business. Learners could read about Cash-flow at BBC Bitesize to help their understanding or for revision. Learners could then be given the opportunity to construct, calculate and interpret cash flow forecasts, then discuss the implications of a difference between the predicted and actual cash flow. Managing cash flow and profitability are important for business success but learners can struggle to understand the difference or use the terms incorrectly. It is therefore important in the first year to address any common misconceptions which can then be built on in the financial ratio sections of the second year specification (topic area 6).

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1.4 Managing human resources (HR)		
	Content Amplification	**Teacher Guidance**
1.4.1	Learners should understand the role of the human resources function. Learners should understand the different types of human resources (employees and workers) that may support the operations of the business, including: • full-time and part-time employees • permanent, fixed-term (temporary) and zero hours employees • employees vs. contractors. Learners should understand the different ways of working, including: • compressed working week • fixed and flexible hours/flexi hours • job sharing • hybrid working and working from home multiskilling.	Human resources are a key resource as they are the people who provide the labour for the business. There are many types of employers and workers that support the operations of a business and learners need to understand these types and their different working arrangements and be able to categorise appropriately. Human resources may work in different ways as outlined in the content amplification. Learners could be given the features of each working arrangement and asked to identify the correct method from a description. Learners could discuss the different arrangements in the workplace using the experience of friends, family or their own personal experiences. Learners could explore the growth of hybrid and home working and how businesses have put different arrangements support employees to enjoy an appropriate work-life balance and maintain flexibility for the business. Learners could explore businesses that offer flexible working arrangements for example by watching the short video on flexibility from McDonald's. Learners could read the factsheets on Flexible working practices from the Chartered Institute for Professional Development (CIPD) website. Case studies could also be used to help learners relate to the different ways of working. Learners can read about Human Resource Objectives in the study notes from tutor2u to help their understanding or for revision. Learners can find out more about HR in the career development by reading Why Is HR Important? An Essential Guide in the career development section of the Indeed website.

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1.4.2	Learners should understand: • why it is important to plan the business's workforce requirements including the number of employees and mix of skills/experience throughout the workforce • the activities that support workforce planning, including forecasting labour needs, recruitment, training/development, redeployment and redundancy.	All businesses need to plan their HR needs in terms of the quantity and quality of individuals employed. Effective planning ensures that the business can profitably meet the needs of customers efficiently both now and in the future and it is important that learners understand this synoptic link. The business's workforce requirement should be considered so the number of human resources and the mix of skills/experience required to operate efficiently. Learners could discuss the activities that support efficient HR planning such as recruitment, training/development and redundancy and the data that underpins the planning of the activities, for instance sales forecasts and marketing planning to forecast labour needs. Case studies of real-life business examples can be used to help learners understand the use of data to support planning, for instance contact centre managers may work with marketing colleagues to analyse promotional plans to ensure that additional staff are working immediately after a television advert is aired so that they can respond to the peak in customer demand.
1.4.3	Learners should understand: • reasons why a business may need to recruit, including business expansion, changing job roles, vacancies created by labour turnover/staff progression, seasonal fluctuations • the key elements of recruitment planning, including job analysis, job description and person specification and the contents of these documents.	All businesses need to recruit employees from time to time. Learners could read the factsheets on workforce planning from the Chartered Institute for Professional Development (CIPD) website. Learners could be given case studies and asked to consider the reasons why businesses need to recruit and to help them make appropriate decisions regarding the type of employment contract to offer, e.g., a fixed-term contract may be more appropriate for a retailer looking for additional Christmas customer assistants to respond to a seasonal fluctuation in customer demand. Often the tasks performed by the outgoing employee may have changed from the time that they were first recruited, and a like-for-like replacement may not be appropriate, e.g., technology may have automated some tasks and new tasks may need to be added such as growth of e-commerce.

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		Learners could research the process of recruiting employees. They could choose a large business and source the documentation used such as the job description and personal specification. This could then be discussed in larger groups to look at any similarities or difference between employers. Learners may already have knowledge of applying for job roles from their KS4 curriculum/careers education or securing part-time employment, however, teachers should assume no knowledge and explore the learner's baseline knowledge. This topic should also be approached from the employer's perspective rather than just the employees. If learners work in business in the future, they are likely to have to recruit new staff and a knowledge of the process from this perspective is important.
1.4.4	Learners should understand the importance of effective recruitment to a business and its stakeholders. Learners should understand: • the steps involved in the recruitment process • what is meant by internal and external recruitment • internal methods of recruitment including the business's intranet, noticeboards, staff newsletters • external methods of recruitment including recruitment agencies, adverts, business website, newspapers, specialist publications, job centre and job fairs/events • the advantages and disadvantages for the business and employee of internal and external recruitment • the methods of selecting employees including interviews (traditional face-to-face one-to-one, panel, telephone and virtual/remote/online), testing, work trial, selection exercises and assessment centres.	The recruitment process is traditional a linear process and learners should understand the steps involved. It is important that learners understand the differences between internal and external recruitment so as to make appropriate decisions about how a business should best recruit to fill vacancies. Different recruitment methods must be explored, and learners need to understand the relative advantages and disadvantages to make appropriate decisions. Learners could read the factsheet Recruitment: an introduction from the Chartered Institute for Professional Development (CIPD) website. They could then discuss how businesses need to choose the methods that will help them select the best employee. Different methods are more suited to specific contexts and the knowledge covered will equip learners to make appropriate choices based on the job requirements. The growth of digital methods of selection should be explored, e.g., virtual/remote/online interviews and testing. Although interviews continue to be a popular way of selecting new employees, they are often complemented with other methods to increase the accuracy of predicting the likely work performance of the individual and also assessing specific skills required to complete tasks, for instance a role play selection exercise to assess practical customer service skills.

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		Learners are very likely to have to apply for a job in the future and they could practise applying for a job and preparing for a recruitment interview. The knowledge of the process from the employer's side should help learners approach the task differently. Learners could discuss the expenses incurred in recruitment, and how balancing operational needs with resourcefulness can be challenging. Learners can find out more about recruitment and selection processes and the 6 stages of an effective recruitment process in the career development section of the Indeed website.
1.4.5	Learners should understand: • the meaning of workforce performance and its importance to a business • what is meant by absenteeism, labour productivity and labour turnover. Learners should be able to calculate and interpret labour productivity and labour turnover. Learners should understand: • what is meant by appraisal • the different methods of appraising employee performance, including manager's assessment, peer assessment, self-assessment and 360 degree appraisal • the benefits of appraisal for the business and the employee.	The use of all business resources should be evaluated to ensure that the business enjoys value for money. Human resources are an expensive resource for any business, but due to the nature of the resource, it can be challenging to evaluate HR performance in a fair, consistent and meaningful manner. Learners need to understand why it is important to evaluate HR performance and the ways of assessing performance using quantitative measures such as absenteeism, labour productivity or labour turnover. Learners may be familiar with some measures, such as absenteeism as attendance rates are maintained by most centres. They should use this understanding to calculate and interpret HR data to review performance. Learners could read the factsheet Employee turnover and retention from the Chartered Institute for Professional Development (CIPD) website. Learners could read the Labour productivity and Labour turnover study notes at tutor2u then use given data to calculate this for a range of businesses. The methods of appraising human resources need to be understood by learners so that they can judge the effectiveness of specific methods for different contexts. Learners could read the factsheet Performance reviews from the Chartered Institute for Professional Development (CIPD) website, and Appraisals and career development from the Open University. Learners could consider the different formats that appraisals may take (line manager's assessment, peer assessment, self-assessment and 360 degree appraisal).

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		They could consider the merits of the different approaches for both the business and employee. Online clips of different types of appraisals could be shown to learners to offer an insight into the similarities and differences. Learners could reflect on these clips to think about the merits for the business and employee, e.g., the employee may not trust other employees to offer honest views during a period of job instability as peers may offer a negative assessment of their performance in the hope of securing their job role. However, a manager alone will only have a narrow perspective of an employee's job performance as they have no personal experience of the employee's skills/abilities from a customer's viewpoint. Learners could also role play appraisal interviews to think about the skills needed by the manager and employee. This could also give learners the opportunity to see sample appraisal paperwork, e.g., a self-reflection questionnaire.
1.4.6	Learners should understand: • why it is important for the business to develop human resources • the ways of developing human resources including training, mentoring, coaching, secondments and project work. Learners should understand the benefits of human resource development opportunities for the employee. Learners should understand the different methods of training, including induction, on-the-job, off-the-job and apprenticeships, and the advantages and limitations of each method.	Developing HR is important to remain competitive and maximise HR performance. Learners need to understand why it is important for businesses to develop human resources and this topic may relate to other parts of the two-year curriculum such the introduction of technology and/or the need to remain competitive in a market. Teachers could lead a discussion on the methods that businesses can use to develop its human resources such as training, mentoring, coaching, secondments and project work. Some learners may be familiar with methods such as project work from their own personal experience. Other methods, such as secondments, may be less familiar. Learners could discuss why these development opportunities are generally welcomed by employees, but why some employees may be resistant to change. Learners could read the article What are common workplace training methods? and 15 different training delivery methods for the workplace from the career development section of the Indeed website before researching different types of training in more detail to find the relative advantages and limitations of each type.

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		Some learners may be considering apprenticeships as a potential option for the futures so may be familiar with this form of development. Learners can read about Apprenticeships in Wales at the Welsh Government website.
1.4.7	Learners should understand: • what is meant by motivation • the benefits of a motivated workforce for a business • the difference between financial and non-financial methods of motivation, including the benefits and limitations of each. • the different financial methods of motivation, including salary, bonus, commission, piece rate, profit sharing, and performance related pay • the different non-financial methods of motivation, including job enrichment, job rotation, job enlargement, team working and flexible working. Learners should be able to recommend and justify appropriate financial and non-financial methods of motivation for a specific business and its employees.	Employees must be motivated in the workplace and learners need to understand the term and the benefits of a motivated workforce for a business. This element will link to other topics covered over the two years of study such as competitiveness, customer service and human resource performance. The different financial and non-financial methods of motivation should be explored. Learners can relate this content to their own experiences by considering what motivates them personally to do their studies/part-time job role and how this knowledge could be used to manage their staff in the future. They should consider how motivators vary between individuals, by speaking with other learners/family/friends to consider the differences. Motivators may also change as individuals' development and/or personal lives change, for instance they inherit money or start a family. Learners could research a range of financial and non-financial motivators then recommend appropriate actions for a specific business. Learners could also listen to the podcast motivation: sustaining energy in the workforce from the Chartered Institute for Professional Development (CIPD) website. This specification does not require learners to understand motivation theories, such as Maslow or Hertzberg, as the emphasis is on applying their knowledge practically rather than describing the principles behind theories. The work of these theorists will not form part of any assessments. However, the work of the theorists could be used as a challenge for more able learners as it usefully underpins the specification content. Learners could read articles such as Maslow's Hierarchy of Needs in Today's Workplace found on the Making Business Matter website to enhance their learning.

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1.4.8	Learners should understand: • what is meant by management • the functions and roles of management • the different approaches to management, including management by objectives (MBO) and McGregor's Theory X and Theory Y. Learners should understand: • what is meant by leadership • the different leadership styles, including autocratic, democratic, paternalistic and laissez-faire • the appropriateness of different leadership styles for specific business contexts/situations.	Some learners may be managers of the future, so this topic support their future development. It could be useful to explore the term 'management', the functions and roles of management and the different approaches as supported by key theories such as management by objectives (MBO) and McGregor's Theory X and Y. Learners must be able to recognise the key features of the different approaches to management and how they influence management behaviour. Learners could then consider leadership and the different styles such as autocratic, democratic, paternalistic and laissez-faire. An article on leadership styles and a leadership styles video can be found on the MindTools website. Learners could also read the article 13 Leadership Styles and Their Characteristics found in the careers development section of the Indeed website to see a greater range of leadership styles. Learners could consider how they would feel if they were an employee working under each style of leader. They could also consider their own personal experiences in education or from part-time employment. Learners could consider the advantages and disadvantages of each approach for the business and individual employee which could link to other topics such as labour turnover, customer service or profitability. Learners could complete an online quiz found on the MindTools website and read the article What kind of leader are you found on the careers development section of the Indeed website to explore their own learnership style both as an employee and/or future leaders. Learners need to understand the appropriateness of different leadership styles for specific business contexts/situations. One style is rarely appropriate for all contexts/situations and often the most appropriate styles may change. Learners can find out more about management by reading What is management and how can managers excel at work in the careers development section of the Indeed website.

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		Learners could use the guide available at Making Business Matter Leadership Skills Ultimate Guide with a Focus on Leadership Styles to help their understanding or for revision.

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YEAR 1 TEACHER GUIDANCE

1.5 Coordinating efficient business operations		
	Content Amplification	**Teacher Guidance**
1.5.1	Learners should understand: • the concept of added value • the ways of increasing added value, including, increasing price, reducing costs, branding, improving the production process, adding/changing the features of the product, changing the packaging and/or product design, developing a unique selling point (USP) and customer service • the importance of added value to a business.	Teachers could introduce the concept of added value and discuss ways of increasing added value. Learners could discuss this in a way they are familiar with as consumers, for instance the value created by adding a brand to a trainer. The importance of added value to a business needs to be understood to help learners to develop strategies for specific businesses and products. Learners can read a simple explanation of Enterprise: Adding Value in the study notes from tutor2u. Learners could read the short article How brands add value to business? on LinkedIn and watch the video How Apple and Nike have branded your brain. Learners could research USP statements that highlight the unique features and benefits that a good or service offers compared to its competitors. They could watch Domino's Pizza, Delivered in 30 minutes or it's free, to see how the business started, its branding, innovation, packaging design etc. and how it developed into a massive international business. Learners could also link back to topic 1.1.1 and consider how this business was started in one store by an entrepreneur, Tom Monaghan, and how he sold this business for a million dollars in 1998.
1.5.2	Learners should understand: • the different methods of production including job, batch and flow and the advantages and limitations of each method • the appropriateness of different methods of production for specific business contexts/situations.	Learners need to understand the different methods of production and the relative advantages and limitations. They could read about Methods of production at BBC Bitesize and Methods of Production - overview on the tutor2u website and consider the appropriateness of different methods to specific businesses and products. They could investigate the methods of production used for a range of products that they are familiar with and create a short presentation on why the method was chosen by the business and why other methods were rejected due to the range of limitations.

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1.5.3	Learners should understand: • what is meant by productivity • the ways of measuring productivity, including capacity utilisation and labour productivity • the ways in which productivity can be increased, including training, equipment/technology and employee motivation • the benefits to a business of increasing productivity. Learners should be able to calculate and interpret capacity utilisation and labour productivity.	Productivity is important for all businesses and increasing productivity is a common business aim/objective. Learners need to understand the ways of measuring productivity for different resources, such as capacity utilisation and labour productivity. Learners could watch the videos on capacity utilisation from tutor2u then consider different case study examples and calculate the capacity utilisation and labour productivity. They should interpret the results of the calculations. Learners can read about UK productivity at the Office for National Statistics (ONS) then discuss ways in which productivity can be increased and the benefits to a business of increasing productivity. They could consider why a business must be aware of the possible impact on employees and managers of being constantly monitored, evaluated and judged for their productivity. This knowledge can be used by learners when justifying specific actions for a business.
1.5.4	Learners should understand: • the ways that technology may be used to support business operations, such as CAD, CAM, robotics, remote working, retail systems, EPOS, bar codes/QR codes, software applications, digital media and online payment systems • the benefits and limitations of the use of technology in the operations of the business. Learners should be aware of how technology is used differently in different business contexts.	Modern businesses rely on technology. Many learners will be familiar with technology used by businesses as consumers or through general knowledge, for instance bar codes/QR codes and online payment systems are part of everyday life. By understanding the different technology applications, learners can relate to the relative benefits and limitations of technology on the operations of the business and stakeholders such as employees. The content amplification includes a range of different types of technology to support business operations and examples should be given to learners to understand how these applications can be used in a business. Teachers could lead a discussion on how technology is regularly used in different business contexts, e.g., computer-aided design and computer-aided manufacturing (CAD/CAM) software is used to design and manufacture prototypes, finished products and production runs of products, robotics may be used to build vehicles or pick stock, bar codes and QR codes may be used to track goods in a supply chain or used in advertising campaigns, EPOS systems can connect to the internet and integrate with payment providers to process cash and credit/debit transactions. Many businesses develop internal systems to support their specific product/operations and learners should investigate how the systems may be adapted.

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		Some learners may have first-hand experience of some of the benefits/limitations from everyday life, for instance spreadsheet applications to automate numerical calculations for assessed work.
1.5.5	Learners should understand: • what is meant by quality • the importance of quality to a business and its stakeholders • the difference between quality assurance and quality control • the concept of total quality management (TQM) and the ways that it can be achieved, including quality circles, benchmarking, teamwork, zero defects.	Quality is important to all businesses to meet the needs of stakeholders. Quality is not always about offering customers the most luxurious product but about meeting customer expectations. Quality is important to both the business and its different stakeholders including customers and employees who wish to be associated with a business that offers quality to support career advancement. Learners could read What is quality in a business?, What is quality assurance? and What is quality control? from the career development section of Indeed, then discuss the differences between quality assurance and quality control. They could consider a range of activities for arrange of given businesses and consider if they relate to quality assurance and/or quality control. Learners could research the concept of total quality management and the ways that it can be achieved including quality circles, benchmarking, teamwork and zero defects. Learners should be familiar with these activities and how they are used to manage quality in a business.
1.5.6	Learners should understand: • the importance of purchasing, securing best value and working with suppliers • the importance of effective procurement, purchasing and holding of inventory (stock) • the different ways of controlling inventory (stock), including just-in-time and computerised stock control • the impact on the business and its stakeholders of holding the correct levels of inventory (stock).	Learners need to understand and how this involves the buying of goods and services to enable a business to operate its supply chains in a profitable and ethical manner. Learners could listen to the CIPS webinar What IS procurement? then take part in a discussion on procurement's role in procuring goods or services at the right place, for the right price, to the right quality and quantity and to be delivered at the right time. Inventories of stock will be held by businesses (inventories of raw materials, work in progress and finished goods) and the ways of managing inventory could be researched by learners to include systems such as just-in-time and computerised stock control. Learners could read the article How the UK's just-in-time delivery model crumbled under coronavirus from WIRED and discuss their thoughts.

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		The impact of inventory management on business operations and stakeholders must be understood by learners to help them make appropriate decisions for a specific business. Inventory is often considered to be 'cash lying idle' and learners should appreciate why it is important to maintain an optimum level of inventory to support operations, meeting customer demand and also support cashflow.
1.5.7	Learners should understand: • what is meant by innovation and research and development (R&D) • the link between innovation, R&D and maintaining competitiveness • the costs of innovation and R&D for a business and its stakeholders • the benefits of innovation and R&D for a business and its stakeholders.	Research and Development (R&D) supports businesses to remain competitive. Learners should build on their learning about innovation from 1.1.5, considering the costs and benefits of innovation and R&D for a business and a range of stakeholders, such as customers, employees and competitors. Businesses that innovate are more likely to experience boosts in growth, productivity and turnover and so many will invest heavily in innovation and R&D. Learners could research why this is important to different businesses and the potential costs. The use of case study examples can be used to show how businesses need to innovate and how this affects a range of stakeholders.

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1.6 Developing skills for business		
	Content Amplification	**Teacher Guidance**

1.6.1	Learners should understand the importance of a range of business skills including:
	• People skills
	  • leadership
	  • teamworking and collaboration
	  • emotional intelligence
	  • negotiation.
	• Problem solving
	  • problem solving and critical thinking
	  • research and investigation
	  • decision making
	  • data analysis.
	• Creativity and innovation
	  • being creative and innovative
	  • initiative
	  • open-mindedness
	  • imagination.
	• Numeracy, literacy and digital intelligence
	  • numeracy
	  • literacy
	  • digital
	  • communicate information in a concise and logical format appropriate for the intended audience
	  • research of information
	  • referencing sources of information.
	• Self-management
	  • planning and organisation
	  • self-awareness
	  • adaptability and flexibility
		As an applied qualification, learners will develop a range of business skills that can be transferred to a range of business contexts. These skills will be developed through the completion of assessed tasks and class activities.
		
		Teachers should maximise the opportunity for learners to develop a range of skills by offering practical class tasks and activities such as those listed in 1.6.2.
		
		Learners could read the articles Workplace skills: definition and examples, and 11 essential business skills every professional requires from the career development section of Indeed to raise their awareness of the importance of transferrable business skills.
		
		Learners could watch the short video PDP: What's it all about from the Open University, then create a personal skills development plan to develop specific skills to support their own employability.
		
		Discuss how using examples from assessed activities could be used to demonstrate personal skills on job application forms and in HE course interviews. Learners could consider how they develop business skills in other aspects of their lives such as part-time employment, sports, team activities or general life. This knowledge also helps learners to reflect and use these experiences to support future progression to employment and/or HE.

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	• accountability • work ethic • time and workload management • work-life balance • positive mental wellbeing/mindfulness • building emotional resilience • career management. • Commercial awareness • entrepreneurial mindset • entrepreneurial characteristics • customer-focused • meeting objectives. Learners should understand why these skills will support individuals in achieving a successful career. Learners should be able to evaluate the impact of these skills on the success of business.	There are many skills which are grouped into specific themes. The skills inter-relate which will become apparent to learners as they reflect on assessed tasks and class activities. Learners should also consider the impact of recruiting employees with specific skills on the performance of a business. During recruitment activities businesses often assess if applicants have specific skills and learners should think about why this is important and how skilled and experienced employees can enhance the business's performance. Ways of developing these skills in the workplace should be considered which can link to the HR development topics in 1.4.6. Learners could use the guides available at making Business Matters to help their understanding or for revision. These include: Communication Skills Ultimate Guide with Effective Communication Team Building Skills Ultimate Guide with a Focus on Teamwork Skills Time Management Skills Ultimate Guide with Focus on What is Time Management? Presentation Skills Ultimate Guide and How to Give a Good Presentation People Management Skills Ultimate Guide with a Focus on Managing Difficult People
1.6.2	Learners should be able to demonstrate and develop key business skills outlined in 6.1 by participating in a range of business projects and tasks. Suggested projects and tasks may include: • researching market data and giving a presentation of findings • leading a team in an entrepreneurial activity • role play of a business negotiation • interviewing applicants for a job • writing an email to a customer complaint	The assessed tasks and class activities throughout this two-year qualification will give learners the opportunity to apply all business skills. Their learning is not confined to the classroom, and they need to understand that their knowledge can be applied to personally develop. Skill development/application will occur naturally alongside the acquisition of business theory. The projects and tasks are just a few of the different ways of support learners.

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	• troubleshooting advice to a failing small business • team working to solve a business problem • creating a job advert to be posted online • mock appraisal meeting • writing their own CV • explaining the financial position of a business to shareholders • producing a prototype for a new product • designing a training plan for new employees • deciding on the selection of different business options. Learners should be able to demonstrate the skills in a variety of different contexts such as individual tasks, group tasks, and responding to real business data/case studies. Learners should be able to carry out a personal skills audit and reflect on their own strengths and development needs. Learners should be able to create a personal skills development plan to enhance their employability.	Learners will carry out a personal skills audit and reflect on their own strengths and development needs as part of the internal assessment. They should also be able to create a personal skills development plan to enhance their employability.

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1.7 Managing ethical business operations		
	Content Amplification	**Teacher Guidance**
1.7.1	Learners should understand what is meant by business ethics and the types of ethical issues a business will face, including social responsibility, animal rights, diversity and discrimination, treatment of workers, treatment of suppliers and treatment of customers. Learners should understand what is meant by corporate social responsibility (CSR). Learners should understand different actions that a business can take to behave more ethically and the benefits and limitations of those actions.	Operating in an ethical manner is an important issue for any modern business. Customers increasingly consider a business's ethical stance when choosing where to purchase goods and services. Business ethics affect a range of stakeholders and current stories from the media can be used to consider ethical issues and keep the topic contemporary. Learners must understand the term business ethics and could make a list of the ethical issues that businesses may face. Many of these issues will be familiar to learners from KS3/4 topics such as animal rights and environmental topics. Learners should understand what is meant by corporate social responsibility (CSR). Many businesses in the local area will engage in CSR activities which many learners will be aware of. Equally, the learners' own centre may implement CSR activities which learners could investigate. Learners could watch the video What is Corporate Social Responsibility (CSR)? from UNIDO then research the CSR policies of two or three well-known global businesses e.g. Microsoft, Disney, Google, BMW, Daimler, Sony, Intel and Apple. This may help learners to understand the actions that a business can take to become more ethical and the benefits and limitations of those actions. Learners could be given a case study on a business and asked to make appropriate recommendations for their specific business situation.

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1.7.2	Learners should understand: • the possible trade-off between ethics and profitability • the potential impact on the profitability of a business from making ethical or unethical decisions due to factors including increased sales, positive reputation, source of competitive advantage, increased cost.	Most businesses aspire to operate in a more ethical manner; however, some managers perceive that ethical decisions may negatively impact on profitability. Learners need to be aware of the perceived trade-off between ethics and profitability and understand why/how this may arise. Learners could be encouraged to debate the issues underpinning the trade-off with reference to practical business case studies to decide whether is a trade-off or do ethical decisions enhance profitability. Sometimes the trade-off is perceived, and learners should consider why this may be case. This is a topical subject as business ethics a central element of modern business strategy which is the reason for its inclusion in the curriculum. Learners could watch the Profits VS Ethics video from Two Teachers and complete the supporting activity worksheet on a fictional company.

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1.8 Sustainable business		
	Content Amplification	**Teacher Guidance**
1.8.1	Learners should understand how business operations affect the environment including air, water and noise pollution, climate change, congestion, deforestation, destruction of the environment and waste management. Learners should understand: • how legislation, regulation and government policy influence business behaviour towards the environment • the influence of society and stakeholders on a business's environmental stance. Learners should know what is meant by greenwashing and the methods that a business may use to greenwash.	Learners need to understand the impact of businesses on the environment and why it is important to businesses. Climate change is a key topic for everyone. Environmental stance is therefore a key consideration for business because the future of the planet is important for everyone. This concept is explored further in topic 2.9 in Year 2. Learners need to understand that decisions made by businesses today should not compromise the needs of future generations. Businesses need to ensure that they use replenishable resources alongside operate in a socially responsible manner alongside meeting current business objectives. Learners could discuss how business operations may affect the environment . This may include pollution, climate change, congestion, deforestation, destruction of the environment and waste management. Current examples can be found in the media from a range of industries to illustrate this content. Learners could read the article The climate benefits of a four-day workweek from the BBC and discuss their thoughts. Learners could follow the journey of a plastic drinking bottle at National Geographic to learn about plastic pollution and the article from Surfers Against Sewage Plastic pollution: facts and figures and discuss their own use of plastics in their everyday lives. Business behaviour is shaped by legislation, regulation and government policy and learners should consider how these elements can encourage businesses to encourage sustainable decisions and prevent unsustainable actions.

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		Learners could research the Well-being of Future Generations (Wales) Act 2015 and consider its impact on businesses. Learners could research how stakeholders can also put pressure on businesses to operate more sustainably, e.g., to offer paper straws rather than plastic straws and recycling policies. As this is a vocational qualifications learners should be able to apply their understanding to analyse the environmental issues facing a specific business and recommend actions to support sustainability. Learners could research large businesses to see how they are reacting to environmental pressures such as McDonalds Our Plan for Change and Ben & Jerry's Our climate impact and what we are doing to reduce it. 'Greenwashing' is an approach used by many businesses and learners need to understand this practice and the methods that a business may use to greenwash. Learners could read the explainer What is Greenwashing?, then find and read articles or listen to podcasts on greenwashing and discuss their thoughts. For example, from the BBC: PrettyLittleThing Marketplace app: Greenwashing or a step forward? DWS boss resigns amid greenwashing claim Environmentalists sue Dutch airline KLM for 'greenwashing' How phantom forests are used for greenwashing

1.8.2	Learners should understand:
	• the concept of sustainability
	• the three pillars of sustainability:
	  • the economic
	  • environmental
	  • social.
	
	Learners should know what is meant by the circular economy.
		Learners need to understand how business operations affect the environment to enable them to make decisions to support sustainability. The concept of sustainability will be developed further in topic 2.9 in Year 2.
		
		Learners need to understand the three pillars of sustainability. They could research and read current articles on sustainability found on websites such as Sustainability Success and Sustainability Magazine.
		
		Learners could read 2021 CSR report for Pizza Hut Pizza. People. Planet.

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		Learners could explore how in a circular economy incentives are given for reusing products, rather than scrapping them and then extracting new resources. All forms of waste, such as clothes, scrap metal and obsolete electronics, are returned to the economy or used more efficiently. Learners could read What is a circular economy? from the Ellen Macarthur Foundation Website and discuss and how new business opportunities may be created as a consequence. Learners could investigate how big brands are adapting to a circular economy by reading articles such as Nike takes steps towards circular design with glue-less ISPA Link trainers from Dezeen and Vodafone announces circular economy plan to extend life of mobile phones and increase reuse and recycling.
1.8.3	Learners should understand: • the possible trade-off between environmental sustainability and profitability • how environmental sustainability can be a source of competitive advantage • the potential impact on the revenue and costs of a business from making environmentally sustainable decisions.	Most businesses aspire to be more sustainable, however, some managers perceive that sustainability may reduce profitability. Learners could consider the perceived trade-off between sustainability and profitability and why/how this may arise. Learners could then debate the issues underpinning the trade-off with reference to practical business case studies to decide whether there is actually a trade-off or whether sustainability enhances profitability. The use of environmental sustainability as a source of competitive advantage should be understood by learners as this is increasingly used by modern businesses. Many businesses are using these credentials to attract customers and the use of case studies can help exemplify the actions that businesses are taking, for instance after a trial in 2022 many supermarkets now sell milk in bottles with clear caps because these can be recycled back into food grade packaging unlike the coloured ones. Learners could read the short article Müller launches plan to cut 500 tonnes of plastic with new packaging from the Grocery Gazette then discuss how sustainability issues such as using sustainable materials in packaging influence consumer purchasing decisions/behaviour which can then affect revenue and costs.

Please note that the online resources referenced in this guidance are external and are therefore subject to changes that are outside of the control of WJEC.

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CREATE YOUR OWN EXAMS

When you are helping your learners prepare for Year 1 assessments, you will find using the questions in the SAMs useful. However, we appreciate that at the start of a course you might want to have a bigger bank of questions to use with your learners. Therefore, you might find it useful to create some of your own. You might even decide to get your learners to write their own questions and mark schemes. This step by step guide will help you create your own exam papers.

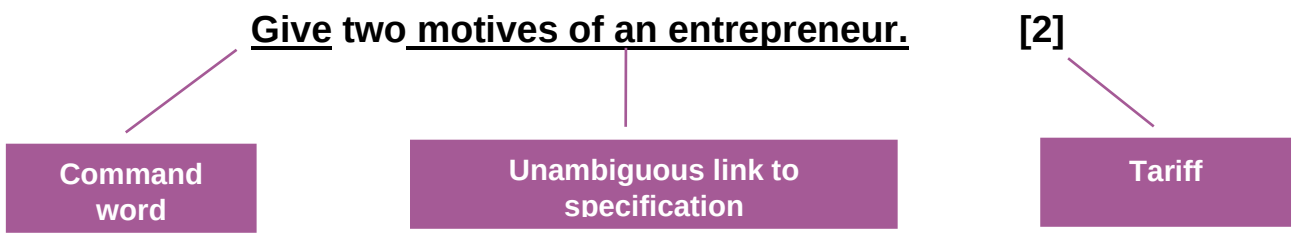
All exam questions have three core elements:

A command word + **Link to the specification content** + **A tariff**

What do you need to know about the core elements?

Command word	1. Must be appropriate for the task. 2. Must be linked to the assessment objective. 3. Are often linked to the question's tariff.	1. Is it clear to the learner what they are expected to do in order to access the full range of the mark scheme? 2. If the question is targeting more than one assessment objective, more than one command word must be used. **A full table of how command words relate to assessment objectives is available in the 'Assessment Guide'.** 3. For example, commands words such as 'state' and 'name' should be reserved for lower tariff questions, whereas 'analyse' and 'explain' are often better for higher tariff questions.
Link to the specification content	1. The question must ask the learner about content listed in the specification only. 2. The link to the specification must be clear and unambiguous.	It should be clear which area/s of the specification are being targeted. Consider the stem of the specification content and this will indicate the depth the learner should know and understand the content.
Tariff	1. Must be appropriate for the command word used. 2. Must be appropriate for what is being assessed. 3. Must be accessible for level 3 learners within an exam context.	1. It should be possible and clear to the learner how they can achieve all of the marks available for any question: the higher the tariff, the longer the learner should take to answer the question. A good starting point is to allow one mark per minute. 2. Use the SAMs as a guide for what is an appropriate tariff and about the range of tariffs used across a whole paper.

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There are some additional elements that some exam questions use:

Context	Sometimes, it is necessary to provide learners with a context to which they will apply their knowledge and understanding of a particular topic.	A context should be written clearly and using language that is as simplistic as possible. The context should be concise and should provide only the information that learners will need to answer the question. Additional information may be time-consuming or misleading. It should depict something that learners will understand, rather than something that is unfamiliar or confusing. **Every question in the Level 3 Business external assessment uses a context.**
Stimulus	Sometimes learners may be provided with a stimulus. The stimulus might be an image, data in the form of a graph or a table, or something else.	Any stimulus must be clear and should not provide information that is excessive or irrelevant. If the stimulus is an image, it should be clear, an appropriate size and of good quality. **An example of a question that uses a stimulus is question 2.**

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Assessment Objectives

Each question should target an assessment objective which is signalled by the command word.

A full table of the assessment objectives that have been set for all our Level 3 Applied Qualifications is available in the 'Assessment Guide'.

What does each assessment objective require learners to do?

AO1	Requires learners to recall the knowledge that they have learned throughout their course.
AO2	Requires learners to: • use learned material in a new situation with a minimum amount of help or direction. • apply rules/principles to a problem, without being given the rule; problem solving • apply appropriate knowledge, understanding to a specific context • apply appropriate skills.
AO3	Requires learners to: • break material into component parts so that its structure may be understood • break complex concepts down to component parts and analyse how parts are related to each other; seeing patterns, recognising hidden meanings • judge the value of material based on certain criteria • evaluate, make judgments on the worth of a concept for a purpose • resolve controversies/differences of opinion • verify value of evidence • recognise subjectivity.

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What type of question should be used?

There are several ways to ask a question, and you should consider what is most appropriate for the question that you're asking. Some guidance is given below:

Matching pairs Multiple choice True or false	These styles of question are useful for asking questions that have answers that are predetermined, usually assessing straightforward knowledge and understanding (AO1).	These questions should be marked objectively, in that there is a correct and an incorrect answer. **For an example, see question 1(d) of the SAMs.**
Short Answer	These can be open-ended and require learners to construct a short answer. They are low tariff, and usually used to test knowledge and understanding. Short answer questions are also used for calculations and data manipulation.	This type of question could be marked objectively if there is one or several correct that might be given. However, if the candidate is required to construct a response, it may be that subjectivity is required to decide whether a number of marks maybe given according to the accuracy and quality of the response, as permitted by the tariff. **For an example, see question 1(a) of the SAMs.**
Extended answer	This allows learners to respond at length to open-ended questions. In this, learners may be required to organise their ideas, to build an argument, and may result in a range of interpretations that draw upon wider and more flexibly defined sources. These are usually used to test higher skills, writing and structuring skills, further reading and a deeper level of understanding.	These questions will be marked subjectively: you should use your judgement to place learners' responses into bands that detail criteria that responses should meet. **For an example, see question 2(e) of the SAMs.**

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Problem solving	These require a range of critical thinking skills from identification, description and analysis to synthesis and evaluation. Sometimes there will be exact or correct answers to problems – as in answering maths problems – or sometimes learners may be asked to propose and justify a course of action to address a specified situation, or to develop a well-reasoned explanation or response based on data analysis, models or precedent.	Questions that require exact or correct answers should be marked objectively, in that there is a correct and an incorrect answer. **For an example, see question 2(b) of the SAMs.** Questions that require a proposed or justified course of action will be marked subjectively: you should use your judgement to place learners' responses into bands that detail criteria that responses should meet. **For an example, see question 4(c) of the SAMs.**
Graph production or interpretation	Graph production questions involve both numerical/mathematical skills. Graph interpretation questions involve both numerical/mathematical skills as well as reasoning skills.	These questions should be marked objectively, in that there is a correct and an incorrect answer. **For an example, see question 3(b) of the SAMs.**

Golden Rules:

1. Try and keep questions as short and clear as possible.
2. Consider splitting long questions into a statement and a question.
3. Avoid asking more than one question in a sentence.
4. Use plain English, e.g., *buy* rather than *acquire.*
5. Avoid using:
   a. negatives (where possible)
   b. technical language (unless it is part of what is being assessed)
   c. idioms/ metaphors/ non-literal use of language, e.g., see eye to eye, cut back on, branching out
   d. words that have more than one meaning, e.g., volume, fit, illustrate (unless it is part of what is being assessed)
   e. gender-biased words, e.g., chairman, manmade, policewoman.
6. Across a whole paper, questions should increase in difficulty. Higher tariff questions are more likely to be found towards the end of the paper.
7. A whole paper should sample a wide range of specification content. You might find it useful to use a blank version of the tracking grid from the SAMs.

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Assessment of Year 1

External Assessment

Business Skills and Functions
Written examination: 1hr 40 mins
40% of Applied Certificate (20% of Applied Extended Certificate)
80 marks: 120 UMS

An assessment comprising of a range of question types to assess specification content related to ideas and concepts in Business.

The written examination is made up of two sections. All questions in Section A are compulsory. In section B, candidates will select and answer one question from a choice of four.

The assessment objective weightings for Business Skills and Functions are:

	AO1	AO2	AO3
Raw marks	40	20	20
% of assessment	50%	25%	25%
% of Applied Certificate	20%	10%	10%
% of Applied Extended Certificate	10%	5%	5%

Internal Assessment

Business Creation
Controlled Assessment: 10 hours
60% of Applied Certificate (30% of Applied Extended Certificate)
120 marks: 180 UMS

An assessment pack will be provided by WJEC that will include several tasks available via the WJEC Secure Website.

Centres must follow the instructions for running controlled assessments in the Administration Guide and within each Year Guide. In line with these instructions, centres are required to have in place a controlled assessment policy (which can be part of a centre's NEA policy); this will be checked as part of the centre and qualification approval process.

The assessment objective weightings for Business Creation are:

	AO1	AO2	AO3
Raw marks	0	80	40
% of assessment	0%	66.67%	33.33%
% of Applied Certificate	0%	40%	20%
% of Applied Extended Certificate	0%	20%	10%

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CONTROLS

For each controlled assessment task, there are four components in which control must be determined. These are:

1. Supervision
2. Guidance
3. Resources
4. Collaboration.

Supervision

One level of supervision control features throughout the internal assessment:

Indirect supervision	Candidates do not need to be directly supervised at all times. The centre must ensure that: • all candidates participate in the assessment • there is sufficient supervision to ensure that work can be authenticated • the work an individual candidate submits for assessment is his/her own • candidates' work must remain within the centre at all times and must be stored securely between timetabled sessions.

Guidance

One level of guidance control features throughout the internal assessment:

Category of Advice/Feedback: **Teachers can:**	**Permitted**
Review candidates' work and provide oral and written advice at a **general** level in order to secure a functional outcome.	✓
Evaluate progress to date and propose broad approaches for improvement.	X
Provide detailed specific advice on how to improve drafts to meet assessment criteria.	X
Give detailed feedback on errors and omissions which leave candidates with no opportunity to show initiative themselves.	X
Intervene personally to improve the presentation or content of work.	X

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Resources

One level of resources control features throughout the internal assessment:

Permitted	Candidates have access to resources and/or preparatory notes as directed by the assessment pack.

Collaboration

One level of collaboration control features throughout the internal assessment:

Not permitted	Candidates should not collaborate in any way during the task.

PRESENTATION

The tasks in this controlled assessment require learners to:

- Produce a written report organised into clear sections that address the tasks, including a range of diagrams. This can be handwritten or digitally produced.
- Produce drafts and a final design of primary research tool (evidence of testing)
- Produce a cashflow forecast. This can be handwritten or digitally produced.
- Produce digital and non-digital promotional material. Each can be hand-designed or digitally produced.
- Compile an appendix for all completed research findings (evidence of research carried out).

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FAQS

Can learners resit the internal assessment?

Candidates may resit the internal assessment prior to certification but cannot improve previously submitted work. The best uniform mark score from the attempts will be used in calculating the final overall grade.

Candidates who are unhappy with the grade awarded for the qualification may choose to resit one or more assessments following certification.

Where the candidate resits the internal assessment, the higher of the uniform mark score from either the initial attempt or the resit attempt will be used in calculating the overall grade. The candidate will also need to resit the external assessment to satisfy the terminal rule requirement for the qualification and only the uniform mark score from the resit attempt will be used in calculating the final overall grade, even if this is lower than the previous attempt.

Can learners resit the external assessment?

Candidates may resit external assessments twice. The best grade will be used for aggregation. If a candidate wishes to resit an external assessment more than twice, no results from assessments taken previously may be used in aggregating the new grade and all assessments in the qualification must be taken again.

What are the assessment entry codes and cash-in code?

		Entry Code
Business Skills and Functions	External	4783U1
Business Creation	Internal	4783U2
Cash in code	Applied Certificate	4783QC

Are both assessments compulsory?

Yes.

When can candidates submit the internal assessment?

Submission of the internal assessment is on or before 15th May each year, until the end of the life of this specification.

May 2024 will be the first submission opportunity for Business Creation.

When can candidates sit the external assessment?

Assessment opportunities will be available in June each year, until the end of the life of this specification.

Summer 2024 will be the first assessment opportunity for Business Skills and Functions.

Are learners assessed on spelling, punctuation and grammar in these assessments?

In the internal assessment, Business Creation, four marks are available for presentation and communication.

Spelling, punctuation and grammar is not assessed in the external assessment, although learners are reminded of the need for good English and orderly, clear presentation in their answers.

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Will candidates be expected to answer questions about all Areas of Content in these assessments?

Yes. Content from across the specification is assessed in both assessments. However, learners will not be asked to repeat work in the exam that has been completed in in the Business Creation internal assessment.

Will the assessment objective weightings remain the same throughout the life of the specification?

Yes.

How are the assessments reported?

Both assessments will be graded a-e.

Where can I access the Assessment Packs for Business Creation?

The Assessment Packs (Candidate Pack and Assessor Pack) can be found on the secure website.

How will I know which Assessment Pack to use?

Candidate and Assessor packs are intended to remain static throughout the life if the specification.

Any necessary amendments to the Candidate Pack and Assessor Pack will be clearly labelled with the year of Award first affected by the amendment.

Will the tasks remain the same throughout the life of the specification?

Tasks are intended to remain the same throughout the lifetime of the specification, however centres should refer to the published Candidate Pack and Assessor Pack each year in case changes to the tasks do have to be made.

When should learners complete the Controlled Assessment?

Controlled Assessment tasks may be completed and assessed at any suitable time during the course. However, centres need to ensure they have delivered the content needed for candidates to be able to access marks allocated to all aspects of the relevant Controlled Assessment.

Can candidates work together on any part of their Controlled Assessment?

No. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

How long should learners spend on their Controlled Assessment?

Learners should spend no more than 10 hours on their Controlled Assessment. Each task is given an approximate time in which it is recommended that the task is completed.

Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

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Can learners complete their Controlled Assessment outside of the classroom?

No. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

Are there any word or page restrictions for the Controlled Assessment?

Yes. Task 1(b) has a word limit of 750 words. All other tasks do not have a word limit imposed, but candidates should be reminded of the importance of concision in their writing. Four marks are available for presentation and communication in the controlled assessment tasks. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

How should learners present their Controlled Assessment work for submission to WJEC?

Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

Can the work be a combination of word processed and handwritten?

Yes. Please see page 62 of this document for more information on how to present the Controlled Assessment.

Can learners use the internet during the completion of their Controlled Assessment?

Yes. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

Can teachers provide guidance about candidates' Controlled Assessment work?

Teachers can provide limited advice about candidates' work. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

Are learners permitted to redraft their work?

Once the task is finished and the final assessment made, no further amendments may be made. Please see the Administration Guide and page 61-62 of this document for more information on how to manage the Controlled Assessment.

What provisions will be made for learners who might struggle to access the Controlled Assessment activities such as learners with disabilities or learners who have specific learning needs?

WJEC will follow the guidance and rules on reasonable adjustments found in the Joint Council for Qualifications (JCQ) document: Access Arrangements and Reasonable Adjustments: General and Vocational Qualifications.

As a consequence of the provision for reasonable adjustments, very few learners will have a complete barrier to any part of the assessment in WJEC Level 3 Applied Certificate/Extended Certificate in Business. WJEC recognise, however, that Controlled Assessment activities can provide challenges for learners with particular disabilities. WJEC will be pleased to respond to queries from centres on an individual basis should they seek advice on delivery or assessment of the qualification for a particular learner or group of learners, and to discuss what reasonable adjustments might be appropriate to remove or minimise the disadvantage experienced by a learner with disabilities studying the WJEC Level 3 Applied Certificate/Extended Certificate in Business.

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GLOSSARY FOR YEAR 1

Term	Definition
Aims	Long-term generic goal or target that shapes the business's objectives.
Assessment centres	A method of selecting which person to employ. It is the use of a range of tasks and activities to provide a detailed insight into the person's suitability for a job role.
Break-even	The point at which a business is not making a profit or a loss. Total costs are equal to the total revenue generated.
Business to business (B2B) market	A market where a business sells its products to another business. It is also known as a commercial market.
Business to consumer (B2C) market	A market where a business sells its products to a personal customer.
Characteristic	Qualities or features that determine a person's personality. "Characteristics of an entrepreneur include innovation and risk taking."
Compressed working week	Where an employee works their contractual hours over fewer working days, e.g., an employee may choose to work their 40 hours over four 10-hour days rather than five 8-hour days.
Contractors	Contractors are often self-employed and provide skills or services to businesses for a set period of time. They can be contrasted to employees.
Contribution	Contribution is the difference between the revenue and variable costs. It considers the contribution that each product sold makes towards covering the fixed costs of the business.
Critical thinking	It is a skill whereby the individual analyses the evidence, facts, observations and competing arguments regarding a topic to form a judgement.
Digital advertising media	Media used to advertise a product/business online.
Distribution channels	The route that a product takes to move from the manufacturer to the consumer.
Emotional intelligence	It is a skill whereby the individual can understand and manger their own emotions and also recognise and influence the emotions of others around them.
Entrepreneur	A person who has an idea for a good or service that people are willing to buy to satisfy their needs.
Extension strategy	A strategy used to stimulate more sales of a product when it is reaching the end of the product lifecycle. The strategy aims to lengthen the product's lifecycle.
Gap in the market	An opportunity to provide a good or service which is currently not offered by other businesses in the market.

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Greenwashing	Where a business uses marketing communications to convince the public/customers into thinking that its products are more environmentally friendly than they actually are.
Hybrid working	A flexible working arrangement where the employee has the autonomy to work remotely and/or in the workplace to complete their tasks. The working arrangement typically involves the employee working in both locations.
Limited liability	The owner of the business can only lose the amount that they originally invested in the business if the business fails/goes into debt. They cannot be forced to sell their personal possessions to pay for the business's debts. The owners (i.e., shareholders) of private and public limited companies have limited liability.
Logistics	The function of moving the products to the final consumer.
Margin of safety	The difference between the revenue generated from sales and the break-even point. Any revenue that takes a business above the break-even point contributes to the margin of safety. The higher the margin of safety the lower that sales can be fall before making a loss.
Market segmentation	Where the customers in a market for a specific product are divided into different groups, or segments according to different characteristics, such as age, gender, occupation and lifestyle. This allows a business to target relevant customers.
Mass market	A large-scale market for products. Often mass market products are produced in large quantities and undifferentiated.
Multi-channel distribution	Where a business uses more than one distribution channel.
Mystery shopper	A primary research tool used to collect data. Used by a mystery shopper (a person employed to visit a shop incognito) to assess the quality of the goods or services. The checklist will record the findings.
Niche market	A small and specialised market for a specific product. Often niche market products are produced in small quantities and aimed at a specific target customer.
Objective	A measurable goal or target. Objectives are more specific than the aims that they support.
Partnership	A business that is owned and controlled by two or more people. The partners generally have unlimited liability.
Private limited company (ltd)	A business which is owned by shareholders. Shareholders can only buy/sell shares with permission. Each shareholder receives a proportion of the profits that the company makes based on the number of shares that each shareholder purchased.
Product life cycle (PLC)	A model that analyses the sales of a product to show the stages it goes through from development to when it is withdrawn from the market.

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Product portfolio	The range of different products offered by a business.
Public limited company (plc)	A business which is owned by shareholders. Shareholders can freely buy/sell shares on the stock market without anyone's permission. Each shareholder receives a proportion of the profits that the company makes based on the number of shares that each shareholder purchased.
Referencing sources of information	Where sources of information are acknowledged to avoid plagiarism. Referencing typically involves in-text citations and a referencing list. There are different systems of referencing including Harvard and numerical referencing.
Reliability	Whether the research data can reproduce the same results multiple times consistently. Data is said to be reliable if the methods can produce consistent results multiple times.
Skill	A skill is something that is learnt over time. Skills are typically 'transferrable', for instance skills developed from hobbies can be transferred to support employment.
Sole trader	A business that is owned and controlled by one person. The owner has unlimited liability.
Stakeholder	Someone with an interest in a business and can either be affected by or influence the business's operations and performance.
Traditional advertising media	Traditional advertising media are often referred to as non-digital advertising media.
Unlimited liability	The owner of the business is liable for the total debts of the business. If the business fails/goes into debt, they may be forced to sell their personal possessions to repay the business's debts. Sole traders and partners have unlimited liability.
Utilities	Services such as gas, electricity, water, internet and telephone. A business needs these services to operate.
Validity	A measure of how well the results represent the true findings. It how well a method measures what it is intended to measure.
What if analysis	Where different variables are changed to see how it may affect the outcome, e.g., increasing/reducing the sales revenue to explore the impact on the break-even point.
Work trial	Where an individual works a period of time before offering them the job. It allows the employers to see how the potential employee performs in the job role.

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