LEVEL 3 APPLIED QUALIFICATION IN BUSINESS

GUIDANCE FOR TEACHING

YEAR 2 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.

© WJEC CBAC Ltd.

CONTENTS

Aims of the Guidance for Teaching 2
Aims of the Year Guide 2
Introduction 4
Additional ways that WJEC can offer support: 4
Overview of Year 2 5
How to read the Specification 6
Year 2 Teacher Guidance 7
2.1 Exploring business strategies 7
2.2 The use of budgeting as a planning tool 13
2.3 Using sales forecasts 15
2.4 Using technology to drive change 17
2.5 Exploring economies and diseconomies of scale 20
2.6 Using SWOT analysis to aid decision-making 22
2.7 Measuring business performance 24
2.8 Making investment decisions 28
2.9 Taking an environmental, social and governance (ESG) approach 30
2.10 The impact of the external environment on business operations 35
2.11 Trading in the global business environment 39
Create your own exams 42
Assessment of Year 2 47
External Assessment 47
Internal Assessment 47
Controls 49
Supervision 49
Guidance 49
Resources 50
Collaboration 50
Presentation 50
FAQS 51
Glossary for Year 2 55

© WJEC CBAC Ltd.

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.

© WJEC CBAC Ltd.

Overview of Year 2

In Year 2, learners will build on the knowledge, understanding and skills developed in Year 1 to develop their understanding of business strategy; how businesses use tools to enable them to make informed decisions, to drive change, and to meet their aims and objectives whilst exposed to wide array of external influences within a wider context. Learners will investigate that context and consider how the opportunities and the pressures it presents impact on businesses, on their operations, and on their decision-making. Learners will also have the opportunity to develop skills that will enable them to be strategic in business, such as using budgeting, sales forecasting, using SWOT analysis and measuring business performance.

Areas of content:	
2.1	Exploring business strategies
2.2	The use of budgeting as a planning tool
2.3	Using sales forecasts
2.4	Using technology to drive change
2.5	Exploring economies and diseconomies of scale
2.6	Using SWOT analysis to aid decision-making
2.7	Measuring business performance
2.8	Making investment decisions
2.9	Taking an environmental, social and governance (ESG) approach
2.10	The impact of the external environment on business operations
2.11	Trading in the global business environment.

© WJEC CBAC Ltd.

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.

© WJEC CBAC Ltd.

2.1 Exploring business strategies		
Content Amplification		**Teacher Guidance**
2.1.1	Learners should understand how the type of business and how the values and expectations of its stakeholders may impact on its business aims. Learners should understand how the aims of businesses will differ for different types of business ownership operating at different scales, including: • private: survival/break even, growth/development, maximise profit, increase sales revenue, increase market share, environmental, social and ethical • public: service provision, cost control, value for money, service quality, meeting government standards • not-for-profit: generating surpluses through raising funds and accepting donations; investment in social, environmental and/or cultural initiatives, donating to others, philanthropy. Learners should understand the features and purposes of mission statements, and the link between the mission statement and the aims of the business.	Learners will build on their learning from Year 1 of the specification to understand how the aims of businesses differ according to the type of business ownership operating at different scales. Business aims can be varied and often depend upon the type of business ownership and also the values and expectations of stakeholders. The content amplification offers examples of typical aims for businesses within each of the three sectors and learners could consider why each may be applicable for each type of ownership. Learners could research the aims and objectives for a range of different businesses using primary and secondary research. They could rotate around paper tablecloths or flipchart paper, each labelled with examples of aims from each type of business ownership and use their research findings to add the names of the businesses to the appropriate sheet. They could then compare and contrast them. Learners could research the mission statement and aims of a variety of businesses from each the three sectors to help them consolidate their learning. They could consider how the mission statement and aims link and support each other.
2.1.2	Learners should understand the difference between and the use of: • long-term strategic plans • medium-term operational plans • short-term business tactics	Learners were introduced to business planning in 1.1.7 in Year 1, and this topic builds on this concept and how business planning happens at different levels and cascades from long-term strategic plans down to the day-to-day operational plans. This process should happen in all businesses, irrespective of size, although a common misconception is that business planning of this nature is the preserve of large organisations.

© WJEC CBAC Ltd.

	• day-to-day operational decisions. Learners should understand the impact that mission statements and aims may have on business planning.	Teachers could lead a discussion on business planning, why it is essential in all businesses, including those owned by sole traders, to enhance performance, and the importance of all plans being mutually supportive to enhance efficiency. Typically, the long-term strategic plans cover a timescale of 3-5 years and outline the general strategic direction of the business. The long-term plans are typically created at a senior management level and encompass the whole business. A series of medium-term operational plans support the long-term strategic plans by planning the operations for each functional area/department (depending upon how the organisation is structured). These plans typically cover a 1-3 year period and are reviewed annually. The contents of the plans are aligned with the long-term strategic plans. Learners should understand the term 'tactics'. Short-term business tactics are then created to support the achievement of the medium-term operational plans. These tactics are often created by individual teams within each functional area/department. The tactics usually cover a period of up to one year. The day-to-day operational decisions are then created to enable the business to achieve its short-term business tactics. The operational decisions are created on a monthly/weekly/daily basis and ensure that the front-line operations are performed efficiently and in a way that will support the different levels of plans leading to the long-term strategic plans. Supervisors often agree the day-to-day operational decisions with individual employees.
2.1.3	Learners should understand how businesses grow including: • organic/internal growth including introducing new product ranges, adding new distribution and sales channels, financial investment, improving efficiency, exporting, investing in new technology • external growth including mergers, acquisition/takeovers, and directions of integration (backward vertical, forward vertical, horizonal, conglomerate) • franchising including the role of the franchisor and franchisee and the advantages and disadvantages to both the franchisor and franchisee.	Teachers could introduce growth as a common aim for a business and the different ways that this can be achieved to include growing organically/internally, externally or via franchising. Learners could then be given lists of different methods of growth and asked to be categorise them into internal and external methods. Teachers could lead a discussion on the advantages and disadvantages of growing a business using examples of businesses that have succeeded and those that have failed. Learners could be given a case study and asked to evaluate its growth plans and make a judgement as to whether it should grow or maintain its current scale of operations. Learners could read about Organic (Internal) Growth in the study notes at tutor2u. Learners could explore external growth through mergers and acquisitions such as

© WJEC CBAC Ltd.

	Learners should understand the advantages and disadvantages of business growth: • advantages including an increased chance of survival, increase in sales, market share, profits, recognition, power in the market, reduced risk of takeover, economies of scale • disadvantages including increased employee turnover, diseconomies of scale, loss of control, increased capital requirements, decrease in staff morale/productivity. Learners should understand the factors that may constrain growth such as market size, market type, competition, business ownership and management structure, government regulation, and financial limitations.	Disney and Pixar/Marvel, Google and Android, and Facebook, Instagram and WhatsApp becoming Meta Platforms. They could also read articles on recent mergers in 2023 such as Japan brewer Kirin buys Australia vitamin giant Blackmores and L'Oreal buys Australian brand Aesop in $2.5bn deal. They could then discuss the advantages and disadvantages of each. Learners could investigate franchising as a method of growth for a business i.e. through selling franchise opportunities. They could read What is franchising? on the British Franchising Association (BFA) website. They could further explore franchise opportunities in the UK at Franchise Local. Learners could investigate Elon Musk's approach to vertical integration in his SpaceX operations and how and why it manufactures approximately 70% of its Falcon 9 rocket in house and compare this with United Launch Alliance (ULA) which launches NASA spacecraft, but only provides system integration and launch operations, relying on 1,200 subcontractors for all other operations. They could also investigate Tesla's ambition to backwards integrate into lithium mining. Learners could investigate the factors that limit or constrain a business's growth plans and then discuss their impact in specific business contexts.
2.1.4	Learners should understand how the Ansoff Matrix model (product development, market penetration, market development, diversification) can be used when planning strategies for growth. Learners should be able to apply and interpret the Ansoff Matrix model to recommend strategies for the products (goods and services) for different businesses. Learners should be aware of the value and limitations of the Ansoff Matrix model for planning strategies for growth for a business.	The Ansoff Matrix is a well-known model to analyse four growth strategies for a business. Teachers could introduce the model and how it sets out strategic options for a business by classifying strategies based on the products offered and the markets in which the business competes. The use of business case studies will allow learners to apply their knowledge to the matrix. The case studies should be well-known business examples where possible for example learners could watch the videos Ansoff Matrix Explained from tutor2u and then Ansoff Matrix: McDonald's Business Strategy from Two Teachers and complete the accompanying activity sheet. Learners could be given business examples to discuss e.g., 'Aldi wants to open a chain of cafés' and 'Pizza Express wants to open a chain of cafés'. Learners discuss which quadrant of the matrix this would fall into, and whether this move might be a

© WJEC CBAC Ltd.

		low-level, medium-level or high-level risk for the business. Learners could consider the value and limitations of using the Ansoff Matrix for planning growth strategies. Use of the model to analyse business case studies may help learners identify the value and limitations for themselves. Learners could consider the value and limitations and evaluate the use of Ansoff Matrix.
2.1.5	Learners should be able to apply and interpret Porter's Five Forces framework (competitive rivalry, supplier power, buyer power, threat of substitution, threat of new entry) to different businesses to evaluate competitive forces at work in an industry. • Learners should be aware of the value and limitations of Porter's Five Forces framework when judging the level of competition in the market for a business.	Porter's Five Forces was developed by Michael Porter to analyse the competitive forces that influence a specific industry. It is important that learners understand that this analysis is at industry level. During delivery of this topic teachers should explore each of the five forces in detail to consider examples of high/low power and how the level of power may then influence a specific business's strategic decisions. Learners could read The Ultimate Guide to Porter's Five Forces from Lücidity, then watch the video and complete the worksheet Porter's Five Forces Explained from Two Teachers. Learners could analyse some industries that they are familiar with such as the car, supermarket or soft drink industry and evaluate each of the five competitive forces. Learners need to be aware of the value and limitations of using Porter's Five Forces framework. Use of the model to analyse the forces in a familiar industry may help learners identify the value and limitations for themselves.

© WJEC CBAC Ltd.

2.1.6	Learners should understand what is meant by outsourcing and the types of business functions that could be outsourced, including: • HR functions such as recruitment, payroll, and training • finance functions such as bookkeeping, accounting, tax management, and auditing • IT functions such as website development, technical support, data services and security • sales and marketing functions such as sales calls, content creation, and marketing communications • operational functions such as cleaning, catering, facilities management, deliveries, repairs, and after-sales services • customer service functions such as call-centres and online chat services. Learners should understand the positive and negative impacts of outsourcing on a business and its stakeholders.	Many businesses outsource business functions rather than operate them internally. The content amplification offers examples of different functions that could be outsourced. Learners need to understand the reasons why these functional areas may be considered appropriate to outsource. Teachers could explain how outsourcing is a strategic decision which many businesses take for subsidiary/support functional areas and lead a discussion on outsourcing, and why businesses may prefer to focus on the core business/products that they offer, e.g. due to lack of knowledge/experience and the risk of operating subsidiary/support functional areas inefficiently. Learner might consider how the appointed organisation will be an expert in the operational of the selected functional area which may generate efficiencies and value for money. Learners could discuss examples of outsourcing they may be familiar with such as the catering and cleaning services at their centre. Learners could then consider other resources the centre may or could outsources such as the accounting function and IT services, and the benefits and drawbacks of doing so. Learners could read the Outsourcing guide for smaller businesses from the British Business Bank then suggest outsourcing solutions for some small local businesses. Learners should consider the impact of outsourcing on both the business and its stakeholders.
2.1.7	Learners should understand what is meant by rationalisation and the ways in which businesses may rationalise, including: • closing stores/branches/plants • transferring production • replacing paper-based systems with IT systems • trimming product ranges • reducing employee numbers/restructuring. Learners should understand the possible positive and negative impacts of rationalisation on a business and its stakeholders.	Rationalisation is a business strategy that may be employed. Teachers could introduce the topic of rationalisation and how a business may reorganise in order to increase its operating efficiency. This sort of reorganisation may lead to e.g., an expansion or reduction in the size of the business, restructuring or changes to product ranges. Teachers could give examples that learners may be familiar with such as the closure of banks and stores on the high street. Learners could consider how decisions made may impact positively and/or negatively on the business and its stakeholders such as employees and customers.

© WJEC CBAC Ltd.

		Case study examples could be used to help learners consider the impact of rationalisation decisions from the viewpoint of different stakeholders.
2.1.8	Learners should understand how to collect and use research data from different sources to plan and make business decisions and the advantages and disadvantages of these sources. Learners should be able to use qualitative and quantitative data to make informed judgements and recommendations on business strategy for a range of different businesses.	Data is important when making business decisions and this data can come from a range of different sources. Learners could investigate the sources of the information needed to make business decisions and consider the relative advantages and disadvantages of each of these sources. Learners could be given examples of typical business decisions, e.g., whether to launch a new product or taking over another business and could suggest examples of data that could be used to support decision-making. Learners should be familiar with the terms qualitative and quantitative data from 1.2.2. of the Year 1 specification, and they should be reminded of these terms with regard to data for strategic decision making. Case studies could be given to learners to show examples of qualitative and quantitative data which learners could analyse to make judgements and recommendations on business strategy. Developing these skills is important as data will need to be analysed as part of the assessments for the Extended Certificate.

© WJEC CBAC Ltd.

2.2 The use of budgeting as a planning tool		
	Content Amplification	**Teacher Guidance**
2.2.1	Learners should understand the purpose of different types of budgets and their use, including: • revenue (income) budgets • cost (expenditure) budgets. Learners should understand different approaches to budgeting such as: • historical budgeting • zero budgeting • flexible budgeting. Learners should understand the benefits and limitations of these approaches to budgeting.	Budgets are important for all businesses, and this topic looks how and why businesses use budgets, and the advantages and disadvantages of their use. Learners must understand how budgeting helps businesses to keep track of their expenses, manage their cash flow and ensure that they are moving towards their financial goals, and how although many people may realise that businesses will prepare cost (expenditure) budgets, but budgets for revenue (income) will also be created. Teachers could lead a discussion on the purpose of different types of budgets and their use, and provide them with practical examples of budgets to help their understanding. Teachers could explain the three approaches to setting the budget i.e. historical, zero and flexible and the benefits and limitations of each one, for instance historical budgeting means that the data is based on based past allocations and spending, which means that the data may not support the funding of future strategic decisions. Learners could explore each approach and discuss how these might affect how the budget holder may manage funds and the funds that they may be allocated in the future. For example, with a historical budget the budget holder may be encouraged to spend all of the money before the end of the financial year to avoid a budget reduction the following year. This could lead to the funds being spent inefficiently or on areas that are not of strategic importance. Case study examples could be used to help learners relate to this topic.

© WJEC CBAC Ltd.

2.2.2	Learners should be able to interpret and comment on budgets. Learners should be able to calculate and comment on variances (positive/favourable and adverse/unfavourable), suggest reasons for these variances and give possible solutions.	Learners should be able to analyse budgets. They should be familiar with interpreting budgets and commenting on the findings. Teachers could introduce the topic of budget variances and learners could be given data sets and asked to calculate the variance for specific businesses. Learners could then suggest reasons for the variances, for instance the cost of materials may have increased due to inflation that was not forecast at the time that the budget was set, or a competitor shutting down which meant revenue increased. Learners could use case studies on businesses and asked to create possible solutions which could be considered to improve budget variances and explain the impact of these solutions on the business, for instance find new suppliers that can supply materials for a lower price. This may solve the budget variance but could create issues with quality or operations if the new supplier is less reliable.

© WJEC CBAC Ltd.

2.3 Using sales forecasts		
	Content Amplification	**Teacher Guidance**
2.3.1	Learners should understand sales forecasting and its role and value in planning business activity, such as: • setting appropriate staffing levels • determining the sales budget • informing future sales tactics • identifying trends from given data • contributing to target setting.	Forecasting was considered in 1.4.2 of the Year 1 specification (planning human resources) and learners will build on their knowledge and understanding in this topic. Learners consider the role of sales forecasting in more detail in this Year 2 specification and understand its role and value in planning business activity generally (including human resource planning but other aspects of operations too including budget setting). A range of uses of sales forecasting are offered in the content amplification and learners need to be familiar with each of them. Teachers could lead a discussion on sales forecasting and question learners as to why forecasted sales data may support each of the business planning activities, e.g., why sales budgets may depend on forecasted demand. Learners could discuss how technological solutions such as sales forecasting software tools are being used by businesses to provide data-driven sales projections to improve decision making.
2.3.2	Learners should understand and be able to use sales forecasting methods, including: • qualitative: Delphi method, expert opinions, and sales force opinions • quantitative: use of market research data, extrapolation from historical sales data, and moving averages. Learners should be able to interpret and comment on sales forecasting data.	Learners must understand and be able to use qualitative and quantitative sales forecasting methods as outlined in the content amplification. Teachers could help learners to practically apply the sales forecasting methods using activities and case studies. Some learners will find these methods complex and practical application may help them understand them. Learners should be supported to make numerical calculations accurately. Learners could read about the Delphi Method on the Corporate Finance Institute (CFI) website.

© WJEC CBAC Ltd.

		Learners could practise interpreting and commenting on results from sales forecasting data and explain how it could be used in the business to support the planning of business activity as studied in 2.3.1, e.g., after calculating the sales forecast data learners could be asked to make staffing decisions or recommend appropriate targets for the manager. Learners could read the article What is Sales Forecasting and How to Forecast on the Salesforce website to help their understanding or for revision.
2.3.3	Learners should understand the limitations of sales forecasting, and the reasons why differences arise between actual and forecast sales due to factors such as: • growth or decline in the market • changes in the economic environment • advances in technology • changes in product portfolio • competitor activity • level of promotional activity • human and physical resources available.	Although sales forecasting can be valuable, learners also need to understand the limitations of the approach and the reasons why the results may not always be accurate. Teacher could discuss how a manager will not have a 'crystal ball' to see into the future and the many reasons why sales forecasts may be inaccurate, for example a new competitor with lower prices may attract customers so actual demand may be lower than predicted. Learners could explore the data comparison using sales forecasting on the Prospects website, then list the consequences of using inaccurate sales forecast data e.g., too many employees may be recruited which could lead to increased cost and potential financial loss and/or the business may not produce enough products to meet customer demand. This could lead to dissatisfied customers who may turn to rival products instead which could affect the business's reputation and customer loyalty if the customers become loyal to the rival.

© WJEC CBAC Ltd.

2.4 Using technology to drive change		
	Content Amplification	**Teacher Guidance**
2.4.1	Learners should understand technological developments and be able to comment on their impact on different business activities, such as: • using financial accounting software and financial technology (Fintech) for payments and receipts • using inventory (stock) control/management systems • tracking customer experience using customer relationship management (CRM) systems • working in the cloud using software such as Google Workspace, MS SharePoint, Adobe Creative Cloud and Salesforce • storing data in the cloud using software such as Google Drive, OneDrive and Dropbox • connectivity and information sharing using the internet such as websites, mobile phones, digital media and social media platforms and video calling apps. Learners should be aware of a range of technological developments that can be used to support businesses, such as: • 3D printing • internet of things (IoT) • artificial intelligence (AI) • augmented and virtual reality • big data and data mining/analytics • business intelligence (BI) software • business process management (BPM) • electronic point of sale systems (EPOS)	This topic builds on the knowledge and understanding from topic 1.5.4 which considers how technology may affect business operations. Revisiting learning from this topic briefly may be beneficial as there will be some overlap. This Year 2 topic is broader and considers how technology may affect business activities. Some learners may be familiar with some technological developments from first-hand experience, such as saving files in the cloud via Google Drive, OneDrive and Dropbox. Other developments will be less familiar such as CRM systems and Fintech. Learners could research the technological developments listed in the content amplification and make notes about their purpose how they may support businesses. Teachers could lead a discussion on the use of technological developments in business e.g., • how online businesses such as fashion retailers are using AI to personally select and recommend to customers preferred clothing, using AI in their warehouses to improve logistics and efficiency and using AI to generate image, text, video and online content to help them market their goods • how a manufacturer may use IoT to collect manufacturing information and send it to the cloud for analysis to enhance productivity, avoid downtime and lower manufacturing expenses. • how augmented and virtual reality may be used for employee training, onboarding and consumer trouble shooting • how EPOS systems are used by retailers to keep all its information in one place, manage inventory to help maximise profits, and help them to provide a personalised customer interaction based on previous interactions/their purchasing history. Learners could investigate examples of businesses which have implemented technological developments or been influenced by these development, and take part

© WJEC CBAC Ltd.

	• robotic processes automation (RPA) software • radio frequency identification (RFID) for inventory tagging and tracking. Learners should be aware of recent updates/developments in technology and their impact on businesses.	in a class discussion on how the development may have impacted on the business and what actions they may have taken as a consequence, e.g., the development helped the creation of new products and/or automation of some processes which led to a reduction in the number of employees. For example, learners could read technology articles such as Three of retail leaders' biggest headaches and how AI can address them and AI scare stories abound but retailers need to get in on the act now on the Retail Week website. They could research the SMART Digital Accelerator project from the University of Wales Trinity St David (UWTSD)) and read the article on how it is offering expert support and advice to Welsh manufacturers on adopting digital technologies. Learners could keep up to date with recent developments in technology by reading current articles such as What does ChatGPT mean for the future of Business? on the science and technology section of the Entrepreneur Media website.
2.4.2	Learners should understand the impact of the adoption of technological developments on businesses and their stakeholders, including: • changes in the workforce such as the capabilities and skill requirements of job roles, changes to working practices, labour costs and productivity • changes to customer expectations such as the growth of digital/on-line business and reductions in bricks-and-mortar businesses and the effect on customer reach • changes to operations such as automated business processes, remote meetings, data management and data security • using digital solutions to automate • financial costs and savings such as costs to invest in technology versus increased profitability.	Technological developments do not only affect the business but also various stakeholders. Teachers may wish to recap different types of stakeholders from 1.1.9 in Year 1 of the specification before starting this topic. Learners could consider if technological developments would have a positive of negative impact on stakeholders. They could identify four stakeholders within a specific business, such as employees, customers, suppliers and shareholders/owners, and consider how the adoption of technological developments affected them, e.g., cloud-based data storage systems such as OneDrive enable employees to work away from the office. This development along with online meeting apps enable employees to work from home which saves them the cost and time of travelling to work each day. The business also benefits as it does not have to maintain large office premises which reduces fixed costs.

© WJEC CBAC Ltd.

2.4.3	Learners should understand barriers to technological change and how they might be addressed, such as: • lack of finance • workforce resistance • lack of management skills and leadership inertia. Learners should understand the consequences of not implementing technological change, such as: • inefficient processes • repetition of tasks • lack of real time data • loss of competitiveness.	Teachers could introduce the concept of technological change and how this can bring opportunities for businesses. However, there are a number of barriers that managers may need to address to enable technological change. The barriers are often specific to each individual business, but common themes are detailed in the content amplification. Case studies on businesses could be used to help illustrate these barriers and what actions managers could take to address them. For example, the centre may have encountered financial barriers when introducing new technology, e.g., often budget limitations mean that fewer computers can be installed. Many centres organise fundraising activities to help raise money for specific purposes and this could include technology projects. Learners may consider examples of local businesses that do not accept contactless payments or allow online ordering and suggest how such barriers to technological change could be addressed. Keeping up to date with technological change is important to remain competitive and enable the business to operate. Case study examples of businesses that have not kept up to date with technological change and subsequently failed such as Maplin electronics and Borders bookstores, and website articles such 50 Brands that Failed to Innovate 10 businesses that failed to adapt could be used to support learners understanding.

© WJEC CBAC Ltd.

2.5 Exploring economies and diseconomies of scale		
	Content Amplification	**Teacher Guidance**
2.5.1	Learners should understand what is meant by internal economies of scale. Learners should understand different internal economies of scale, including: • buying in greater quantities (bulk buying) • using state-of-the-art machinery/specialist equipment • incorporating new methods of production/specialist skills • managerial • economies in marketing expenses • access to more and cheaper finance • adding extra customers or users to an established network. Learners should understand the benefits of internal economies of scale to different businesses and their customers.	Learners need to understand the concept of internal economies of scale and the different examples of economies outlined in the content amplification. Teachers could introduce the concept of economies of scale and how they can benefit businesses and their customers. Case study examples could be used to help learners understand how economies of scale work in practice, for instance a supplier may offer a business a discount for purchasing raw materials in bulk. Learners could consider why suppliers may offer this discount – how does the discount benefit the supplier in addition to the business? They could discuss how the cost savings could be passed on to customers in the form of lower prices without affecting the business's profit margins. This could also lead to an increase in market share especially if the price is now lower than competitors. Learners could explore how supermarkets buy in bulk to reduce costs and spend heavily on advertising and promotion to accelerate sales, They could discuss how discounters such as Aldi and Lidl limit their product range so that they can exploit economies of scale, Learners could consider a how a large streaming company such as Netflix could pay $100 million to produce a movie but would not cost the business much more money if 30 million subscribers watch it, or 60 million subscribers watch it. Learners could be given an example of small businesses in their area and asked to consider the impact of economies of scale on their operations e.g., a small bakery with three bakers making bread. What positive impact might there be: • on production if specialist equipment were to be introduced and/or a new baker with specialist skills were to be employed? • on costs if the bakery could buy in bulk?

© WJEC CBAC Ltd.

2.5.2	Learners should understand what is meant by external economies of scale. Learners should understand different external economies of scale including: • reductions in tax • government subsidies • suppliers • favourable borrowing rates/terms • a pool of highly skilled labour. Learners should understand the benefits of external economies of scale to different businesses and their customers.	Learners need to understand the concept of external economies of scale and the different examples of economies. Economies of scale can benefit businesses and their customers and learners should understand the potential benefit. The use of case study examples could be used to help learners understand these economies of scale in practice. Learners could consider why they may wish to work for a large organisation in the future (e.g., due to the internal development opportunities offered due to size and also the enhanced status that some individuals perceive from working for a larger business). These factors may help larger business attracting job applications from the most qualified/talented individuals which can generate economies of scale as they are likely to work more efficiently and contribute more positively to the organisation's development. Learners could explore the impact of external factors such as a reduction in tax creating and increase in demand and so higher profits for the business, or how a subsidy from the government could lower production costs and so increase profits etc.
2.5.3	Learners should understand what is meant by diseconomies of scale. Learners should understand the impact on businesses of diseconomies of scale, including: • low morale • loss of control • duplication of effort/resources • poor communication • coordination/synergy issues • increased price of land/services/materials/labour Learners should understand the problems associated with diseconomies of scale to different businesses and their customers.	Diseconomies of scale are the opposite of economies of scale and learners need to appreciate that sometimes growth can result in diseconomies. Learners would benefit from considering examples of diseconomies of scale and their impact on a business. The use of case study examples could help learners to understand how diseconomies of scale may occur and the impact. A common example is that internal communication can be slower and less effective in larger businesses due to the increased number of management levels that messages need to pass through. Learners could play a game, passing a message from person to person, to illustrate how messages may be misinterpreted as they pass through multiple people, so the final person receives a different message to the one that the sender originally intended. This can lead to inefficiency and poor customer service in organisations which is a widespread diseconomy of scale.

© WJEC CBAC Ltd.

2.6 Using SWOT analysis to aid decision-making		
	Content Amplification	**Teacher Guidance**
2.6.1	Learners should understand the function and purpose of a SWOT (strengths, weaknesses, opportunities, and threats) analysis. Learners should understand that strengths and weaknesses are internal and relate to the current business situation, and opportunities and threats are external to the business and relate to changes in the environment which will impact on the business.	SWOT analysis is a popular tool to aid strategic decision-making. Learners should understand the structure of a SWOT analysis, and how strengths and weaknesses are internal and relate to the current business situation, and opportunities and threats are external to the business. As opportunities and threats come from the external environment this topic could be linked to the SLEPT model covered in 2.10.1. Learners could explore SWOT analysis e.g., by reading The Ultimate Guide to SWOT Analysis from Lücidity and the guide to SWOT analysis from CIPD. They could then watch the SWOT analysis video from the British Business Bank to see how a business would create a SWOT analysis and consider the use of this tool.
2.6.2	Learners should be able to produce and interpret a SWOT analysis for a range of different businesses to analyse the business. Learners should understand how the internal and external factors identified can impact upon business strategy and influence future business decisions.	Learners need to be able to produce and interpret a SWOT analysis for various businesses. The business examples should be carefully chosen to include a range of business sizes, ownership types and industries/product types. Teachers could show learners the SWOT analysis of Lululemon from Retail Week as an example of a SWOT analysis in the context of a retailer. Learners may be familiar with SWOT analysis if they have undertaken one in the past, possibly in a different situation such as to analyse personal skills for a skills development plan. Learners could produce a SWOT analysis on a business that they are familiar with or even the centre they attend to help them evaluate the value of this approach and the data collected. They can then analyse the results to make decisions about the future direction of the business.

© WJEC CBAC Ltd.

2.6.3	Learners should understand the value and limitations of a SWOT analysis as a planning tool.	Teachers could discuss the value of this popular strategic planning tool e.g., how it is used to enhance the accuracy of strategic planning by encouraging managers to underpin decision making with data. However, SWOT analysis also has limitations as it is a dynamic model and changes in the internal/external operating environment can make the results quickly obsolete so the importance of regularly reviewing the factors should be highlighted. The data for SWOT analysis can also come from a range of sources and because SWOT analysis involves forecasting there can be issues with the accuracy of the data which may then affect the quality of decisions made. The decisions made using SWOT analysis can only ever be as accurate as the data.

© WJEC CBAC Ltd.

2.7 Measuring business performance		
	Content Amplification	**Teacher Guidance**
2.7.1	Learners should understand the purpose of a statement of financial position. Learners should understand and be able to calculate the elements included in a statement of financial position, including: • current and non-current (fixed) assets • current and non-current (long-term) liabilities • net current assets/liabilities (working capital) = current assets – current liabilities • net assets = (non-current assets + current assets) - (current liabilities + non-current [long-term] liabilities) • capital employed = long term liabilities + shareholders' fund (also called equity) • Shareholders' (owners) capital (funds). Learners should be able to interpret and comment on the information included in a statement of financial position.	This topic builds on the knowledge and understanding of managing business finance studied as part of the Year 1 specification. There are two key documents that a business may produce. Learners will already be familiar with an income statement and its use in calculating profitability. This content area introduces the statement of financial position and the concept of liquidity. A statement of financial position is sometimes referred to as a balance sheet. The assessments for this qualification will refer to the statement of financial position so this term should be used when delivering to learners. Learners should understand that a statement of financial position is a snapshot of a business's net worth at a particular moment in time, normally the end of a financial year. It is a summary of everything that the business owns (its assets) and owes (its liabilities). A statement of financial position therefore states the value of a business. The value of the data in one statement of financial position can only provide a snapshot of the business's financial performance, however, comparing the data with previous years and/or the final accounts for another business can make the data more meaningful. Learners should understand and be able to calculate the various elements of the financial statement. The formulas for each are outlined in the content amplification. Teachers could ask learners to complete blank statements using given sets of data to help them to understand how each element is calculated and its relationship to the other elements in the statement. Learners could also be given extracts from statements of financial position and asked to calculate e.g., the net current assets or net assets for that business.

© WJEC CBAC Ltd.

		Learners should be able to interpret and comment on the information included in a statement of financial position. This skill can be developed by asking learners to comment on completed statements for a sole trader or small business, and/or to complete statements from given data and comment in context on e.g., the amount of assets or liabilities each business has, or if it has enough net current assets to meet its day-to-day expenditure. Learners could be given a statement of financial position for a business and asked to decide how this business might improve its liquidity by either increasing the value of its current assets or lowering the value of its current liabilities.
2.7.2	Learners should understand the concept of liquidity and its importance. Learners should be able to calculate and interpret liquidity ratios including the: • current ratio: current assets / current liabilities:1 • acid test ratio: (current assets – inventory(stock)) / current liabilities:1. Learners should understand the value and limitations of these ratios when assessing business performance.	Learners should understand the concept of liquidity and why it is important, e.g., to ensure that the business can pay short-term debts as they become due. This can be highlighted using examples of businesses which have experienced problems or failed due to not being able to pay debts, e.g., Toys R Us closing its UK branches in 2018 and Debenhams which closed its final store in 2021. All businesses need to maintain an appropriate amount of liquid assets and learners must understand how to use the statement of financial position to calculate liquidity ratios. The formulas for each are outlined in the content amplification. A discussion on the possible problems for a business in converting inventory into cash may be used to clarify why a business may use the acid test ratio rather than the current ratio. Opportunities should be offered for learners to practice calculating liquidity ratios using statements of financial position from different business. Learners should then interpret the results and make judgements about liquidity. Learners could find financial statements for a business that they are interested in (all public limited companies publish their financial statements online) calculate the liquidity ratios. Liquidity ratios support a quantitative assessment of the business's performance which can be valuable in supporting decision-making. However, it is important that learners understand the relative limitations of this type of assessment, e.g., how ratios only focus on the quantitative historic results and ignore future qualitative factors such

© WJEC CBAC Ltd.

		as internal influences and changes in the external operating environment that may affect future financial performance. Liquidity ratios are often compared with 'ideals', however this benchmark can be problematic for some industries as businesses can operate outside of the 'ideals' due to the nature of operations/product.
2.7.3	Learners should be able to calculate and interpret the gearing ratio. • gearing (%): (non-current (long-term) liabilities ÷ capital employed) x 100. Learners should understand the value and limitations of this ratio when assessing business performance.	Learners should understand the gearing ratio and how it used to measure the proportion of debt finance to equity, i.e., how much of the company is funded by lenders rather than shareholders. Having too much debt finance can be considered risky because the business will be vulnerable to interest rate changes and if the lender decides to suddenly withdraw funding. Obtaining additional finance can be more challenging if the business is already highly geared due to the perceived risk. Learners could be given data sets to practise calculating and then interpreting the gearing ratio in preparation for external assessments. Opportunities could also be offered for learners to practice using the statement of financial position or extracts from this statement. Learners could interpret the results and make judgements about the financial performance. Learners should be encouraged to consider the results over time to look for trends. Teachers could lead a discussion on how analysing gearing is a quantitative assessment of the business's performance which can be valuable in supporting decision-making. However, there are limitations of this type of assessment, e.g., ratios only focus on the quantitative historic results and ignore future qualitative factors such as internal influences and changes in the external operating environment that may affect future financial performance.

© WJEC CBAC Ltd.

2.7.4	Learners should understand financial and non-financial performance measures. Learners should be able to measure and make judgements on the financial performance of different businesses by: • analysing income statements and statements of financial position • calculating and interpreting profitability, liquidity and gearing ratios. Learners should be able to make judgements on how businesses have performed using non-financial measures including: • market share • brand image • brand reputation • innovation • product quality • customer satisfaction • customer loyalty • employee satisfaction • employee motivation • social, ethical and environmental impact. Learners should be able to use qualitative and quantitative data to evaluate business performance.	Business performance can be assessed using financial and non-financial performance measures. Financial performance can be assessed by analysing the figures from the income statement and statement of financial position. The profitability ratios studied in 1.3.5 in Year 1 alongside the liquidity and gearing ratios from Year 2 can be used to as part of the financial performance measures. The financial ratios support a quantitative assessment of the business's performance. However, it is important that learners understand the limitations of relying on quantitative measures only as ratios focus on the quantitative historic results and ignore future qualitative factors such as internal influences and changes in the external operating environment that may affect future financial performance. For this reason, it is important to also analyse the non-financial performance measures to support balanced and holistic judgements. The content amplification includes examples of many non-financial measures including customer satisfaction and market share. Learners could practise analysing both quantitative and qualitative data to make judgements about the performance of the business. Learners could access the financial accounts for a real-life business online to analyse the financial performance. The annual report section will also include a lot of qualitative data, which they could supplement with additional online research, to make judgements about the non-financial aspects. Learners could explore the non-financial measures of real businesses. For example, they could explore the social and environmental impact of Ben & Jerry's by reading its latest Social and Environmental Assessment Report and discussing how it has performed against this non-financial measure.

© WJEC CBAC Ltd.

2.8	Making investment decisions	
	Content Amplification	**Teacher Guidance**
2.8.1	Learners should understand the investment appraisal process and its purpose. Learners should understand and calculate investment appraisal techniques including: • payback period = initial investment ÷ annual cash flow • average rate of return (ARR) = (average net return / initial outlay (investment)) x 100 Learners should be able to interpret the results of investment appraisal data and make judgements and recommendations on different investment proposals. Learners should be aware of the value and limitations of these investment appraisal techniques.	Learners should understand how investment appraisal is used to evaluate planned investment by a business and measure its potential value to the business, and then discuss how investment appraisal techniques can help a business to make profitable investment decisions. Opportunities should be offered for learners to practice calculating payback period and accounting rate of return (ARR) using case study examples and class activities as learners will need to be confident using in these calculations for their external assessment. Multiple choice questions with tables showing financial information could be given on the payback period and ARR to check learners understanding. Learners could be given short scenarios with data sets to use to calculate payback period and ARR then asked to interpret the results and make judgements about the investment proposals. Teachers could lead a group discussion on the value and importance of these investment appraisal techniques, and how these support a quantitative assessment of different investment proposals. However, it is important that learners understand the relative limitations of relying on quantitative measures especially given the complex nature of long-term investments. Learners could list and discuss the advantages and disadvantages of both techniques. Learners could read the Key Issues in Making Investment Decisions, Payback Period, Investment Appraisal – ARR and Evaluating Investment Appraisals study notes, and/or the Payback Period and Investment appraisal Calculating ARR topic videos from tutor2u to help their understanding or for revision.

© WJEC CBAC Ltd.

2.8.2	Learners should understand and be able to consider other factors for accepting investment proposals, including:
	• financial criteria, such as:
	  • impact on cash flow
	  • impact on borrowing
	  • availability of funding
	  • targets for return on investment (ROI)
	• non-financial factors, such as:
	  • the strategy, objectives and/or culture of the business
	  • ethical considerations/environmental impact
	  • the attitude of the business owners/managers to risk and uncertainty
	  • the impact of the investment on other aspects of the business such as staffing and existing products (goods and services).
		Investment appraisal techniques support a quantitative assessment of different investment proposals. However, it is important that learners understand the limitations of relying on quantitative measures only. Qualitative or non-financial factors also influence the performance/viability of investment proposals such as internal influences and changes in the external operating environment.
		
		Learners could watch the topic video Factors Influencing Investment Decisions.

© WJEC CBAC Ltd.

2.9 Taking an environmental, social and governance (ESG) approach		
	Content Amplification	**Teacher Guidance**
2.9.1	Learners should understand the environmental goals of interest to businesses, their investors and other stakeholders including: • climate action • protection of life in water and on land • responsible consumption and production. Learners should understand how different businesses impact the environment and how this can be minimised through implementing more sustainable, environmental practices and taking actions including: • on energy such as reducing its carbon footprint/applying carbon offsetting and working to net a zero target, using green technology/renewable energy, moving away from fossil fuels, implementing eco-friendly travel plans • on resources such as sourcing materials responsibly, promoting reuse and recycling, minimising the amount of waste sent to landfill, respecting natural habitats and animal welfare, implementing reforestation and restoration of harm done to the natural environment, incorporating goods produced to the Fairtrade standard of environmental protection in product ranges, using water efficiently and discharging water responsibly. Learners should understand the positive and negative impacts on businesses and their stakeholders of implementing or not implementing environmentally friendly policies.	Learners will build on their knowledge from Year 1 to understand how different businesses impact the environment. Content area 2.9 builds on knowledge and understanding from the sustainability topics covered in 1.8 of the Year 1 specification and stakeholders in 1.1.9. and it may be helpful to recap learning from those topics before introducing the new material. Learners could research climate action and protection of life in water and on land at websites such as Surfers Against Sewage and Greenpeace. Learners could read the Mindful Commerce Guides Sustainability Guide Introduction, Mindful Sourcing, Mindful Products and Mindful Deliveries and discuss their application to an ecommerce business. Teachers could introduce the concept and nature of environmental goals and lead a discussion on why these goals may be of interest to a business, its investors and other stakeholders. Learners could discuss how businesses which invest in sustainability may have access to additional sources of finance as some loans/grants are only available to businesses that meet ‘green’ criteria. These products may have preferential rates/fees which can benefit the business. Case study examples and media articles may be useful to show a range of examples from diverse industries including manufacturing and services. Ways that the business can minimise any negative impacts could be explored by researching actions that other businesses have taken and/or initiatives implemented by the business. The content amplification offers several examples of possible actions. Learners could research environmental business services such as carbon footprint calculation on offer from companies such as C-Free.

© WJEC CBAC Ltd.

		Learners could read about Eden Reforestation Projects across the world and how WWF's Basket and their Retailers' Commitment for Nature is encouraging retailers to reduce their environmental impact and protect the rainforest homes of iconic species such as orangutans and jaguars. Learners could investigate the Fairtrade Foundation and discuss the positive and negative impacts on businesses and a range of stakeholders of implementing (or not implementing) environmentally friendly policies. Learners could research the sustainability policies of businesses of personal interest to explore the business's stance. They could explore the ethical ratings of businesses of their choice at Ethical Consumer and discuss how this may impact on their brand image. Learners could watch the 2021 video McDonald's opens the UK's first Net Zero Carbon Restaurant and discuss why McDonalds might have decided this change was needed. Learners could also investigate and discuss the sustainability policies of large business using their websites for example Lululemon, The Body Shop, Sainsbury's, Pizza Express and Unilever. Learners could read the article How do zero emission vehicles work from the British Business Bank then consider how swapping to all-electric vehicles could benefit a small business of their choice or a case study business.

© WJEC CBAC Ltd.

2.9.2	Learners should understand social goals of interest to businesses, their investors and other stakeholders including: • reducing inequalities • gender equality • quality education • sustainability of cities and communities, decent work and economic growth • good health and well-being, no poverty and zero hunger • affordable and clean energy, clean water and sanitation • building resilient infrastructures, promoting inclusive and sustainable industrialisation, and fostering innovation. Learners should understand how different businesses impact wider society and workplace culture, and how they can contribute through social and ethical business practices including: • on people such as respecting human rights, treating workers fairly through equality, diversity, access and inclusion the workplace, providing training and development opportunities, supporting health, safety and wellbeing, using ethical supply chains, showing respect to all • on economies such as creating employment, paying taxes, generating innovation, investing in local community projects including tackling problems and funding educational initiatives, creating wealth and contributing to the improvement of the overall living conditions in the local community.	Alongside environmental goals, many businesses have social goals to support ethical operations. This topic builds on the knowledge and understanding from the ethics topic 1.7.1 in Year 1. Teachers could introduce how some businesses have a social mission to make a positive impact on a community, particular individuals, or on the world at large, and discuss why these social goals may be of interest to the business, investors and a range of other stakeholders. The use of case study examples may help learners relate to these social goals and why they are increasingly important to a range of stakeholders of real-life businesses. Learners could explore how different businesses impact wider society and workplace culture. They could research businesses in their area and consider how their operations affect the local community. They could also research the positive actions that businesses are taking, for instance they could read the article Aldi donates more than half a million meals to charities over Christmas 2022 from the Grocer and discuss how this reduced food poverty. Learners can also explore some of the many food retailers who no longer dispose of unsold perishable food at the end of the day but donate it to FareShare and food banks such as The Trussell Trust and schemes in the local community that can distribute to families in need. Human resource policies can also support social and ethical practices. Learners could read about the Disability Network at Tesco and its status as a Disability Confident Employer, which strives to offer a fully inclusive and accessible recruitment process with adaptations such as screen readers and reading aids to support equality.

© WJEC CBAC Ltd.

	Learners should understand the positive and negative impacts on businesses and their stakeholders of implementing or not implementing social policies.	Tesco also partners disability employment specialists to practically support employees with disabilities and long-term health issues. Learners could read articles such as Diversity in the Workplace: Benefits and Why You Need It from Entrepreneur Media then weigh up the costs of diversity in the workplace against the benefits businesses may gain from the different life experiences and skills that a diverse workforce can offer. Learners could explore the Welsh Government's progress on the Wellbeing of Wales in the statistics and research section of its website, and Sustainable Development Goals at the UN website.
2.9.3	Learners should understand governance factors of interest to businesses, their investors and other stakeholders including: • tax strategy • executive pay ratios • anti-bribery and corruption policies • political affiliations and donations • governing body/board composition, diversity, and structure. Learners should understand how businesses can reduce risks and embed transparency and accountability by: • committing to conducting business ethically, honestly and in compliance with laws and regulations • undertaking business ethically, including preventing bribery • ensuring diversity and representation in leadership teams • accurate reporting to stakeholders such as employees, customers, suppliers and communities on financial performance, business strategy and operations	Various governance factors are of interest to businesses, investors and a range of stakeholders. Teachers could introduce the concept of governance as a set of rules, practices and procedures that guide company oversight and control by its Board of Directors and independent committees. Learners could research recent media coverage to find examples of these factors in practice such as rows over differences between executive pay and workforce wages, or the lack of diversity on the board of directors. They can consider the impact of these factors on a range of stakeholders. To help learners to understand how businesses can reduce risks the teacher may be able to share information on the how the centre reduces risks and embeds transparency and accountability throughout the organisation, or a guest speaker may be able to share how risks are reduced at their organisation. Many large organisations also publish policies online which learners could research to support their understanding. Learners could explore the positive and negative impacts on businesses and their stakeholders of implementing or not implementing appropriate governance. Again, media coverage is an effective way of amplifying this topic as governance is regularly in the news.

© WJEC CBAC Ltd.

	• ensuring business leaders and managers are accountable for risk and performance management • being open about executive pay. Learners should understand the positive and negative impacts on businesses and their stakeholders of implementing or not implementing appropriate governance.	
2.9.4	Learners should understand the benefits of ESG including: • making a positive impact on society/the local community • building trust with consumers, communities and suppliers • improving the reputation of the business and perception of the brand • raising customer loyalty • attracting and retaining employees • maintaining/increasing competitive advantage • making efficiency and cost savings • showing accountability and attracting investment • opportunities for innovation. Learners should understand the opportunities of ESG including: • government-sponsored initiatives such as relief/exemption from environmental taxes, government subsidies • financial incentives such as grants and loans/credit facilities • ethical, environmental, diversity and inclusion awards • certified B Corporation (B Corp) status.	Tutors could introduce Environmental, Social and Governance (ESG), how this is a set of standards that measure a business's impact on society and why stakeholders are increasingly informing their decisions based on the environmental, social and governance credentials of a business. Tutors could lead a class discussion on how e.g., how consumers are choosing brands for their ethical behaviour and their record on climate change. They could discuss the benefits of ESG to a business using the list in the content amplification. Learners may be able to relate to many of the benefits, but the use of case study examples may help learners appreciate the broader benefits of ESG, for example ESG in action from Valkilsearch. Learners could investigate the different opportunities of ESG e.g., by reading about green subsidies on the World Economic Forum website, and how and why businesses want to achieve certified B Corp status at The UK B Corporation Movement. A quiz on the benefits and/or opportunities of ESG (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. Alternatively two students could be chosen at random before the quiz to create a 'cheat sheet' on the whiteboard in under three minutes without consulting their notes, then learners undertake the quiz on their own using the 'cheat sheet' to help them.

© WJEC CBAC Ltd.

2.10 The impact of the external environment on business operations		
Content Amplification		**Teacher Guidance**
2.10.1	Learners should understand the function and purpose of a SLEPT (social, legal, economic, political, technological) analysis. Learners should be able to produce and interpret a SLEPT analysis for a range of different businesses. Learners should understand how the external factors identified can impact upon business strategy and influence future business decisions.	SLEPT is a well-known acronym to represent a range of external factors that influence the operations of a business. The content within sections 2.10.2 to 2.10.6 outlines the different factors within each of the SLEPT headings. It is advisable to deliver this content collectively so that learners can understand how the content inter-relates and is part of the whole analysis. Learners need to understand the external factors that can impact the business environment (social, legal, economic, political, and technological). Learners could consider each one of the five areas, and discuss potential impacts that could impact on businesses in their area. For example, an increase in disposable income (economic), changes in government (political) etc. Learners could then select a business of personal interest and carry out a SLEPT analysis of the external factors that impact on it. They should be encouraged to categorise the factors accurately as the assessment may require learners to identify factors within any one of the five headings. Learners should then interpret their results and consider how the business may respond. This will help learners to understand how external factors impact on business strategy and future decision making. The content within sections 2.10.2 to 2.10.6 also supports the external factors in the SWOT analysis (2.6 of Year 2 specification) as all of the SLEPT headings are external factors which can represent opportunities and/or threats for the business.

© WJEC CBAC Ltd.

2.10.2	Learners should understand the impact on businesses of social factors, including: • the changing structure of the population • changing employment patterns, job market trends and attitudes to work • changes in consumer lifestyles and religious beliefs • changes in levels of health, education and social mobility • changes in tastes and attitudes • cultural changes • influence of the media.	This section identifies a range of social factors that may impact upon a business. These factors should be shared with learners as they can help them to identify appropriate social factors for any business. Learners could research how each social factor has affected different businesses using examples from a range of sectors and industries then consider how each business responded. To generate a deeper understanding, they can discuss why different businesses may respond to the same factor in a different way e.g., due to the nature of operations and/or good/service offered.
2.10.3	Learners should understand the impact on businesses of legal factors, including: • employment protection such as equal opportunities, national minimum wage and health and safety • consumer protection such as consumer rights, product labelling and product safety • intellectual property protection • competition law • data protection. Learners should be aware that there are laws that regulate these factors, that these laws change over time and businesses need to monitor them to avoid inadvertently breaking them. However, learners are not required to have knowledge of these laws.	This section identifies various legal factors that may impact upon a business. The factors in the content amplification should be shared with learners as they can help them to identify appropriate legal factors for any business. For this specification learners do not need to have knowledge of specific laws, nor will they be required to name laws in any assessments. However, learners should have a general overview of the legal influences on business, e.g., the need to pay at least the national minimum wage to employees. Learners could discuss the costs a business may face die to legislation e.g., specific equipment may need to be bought. They could then weigh this up against the consequences a business could face if it does not work withing the guidelines set out by the government e.g., putting staff at risk of injury due to unsafe working practices or getting fined by the government or sued by individuals harmed by the business's poor practices. Learners could consider the dynamic nature of legal factors to further their awareness that changes in the law can alter the business's requirements and necessitate changes to business operations and/or product offering. It is therefore important to regularly monitor legislative changes and creating systems to do so is often challenging for busy owners. There are many systems to support businesses to keep up to date which learners could consider such as signing up to regular industry

© WJEC CBAC Ltd.

		e-newsletters and networking with other business owners. Learners should also appreciate that some laws, such as intellectual property protection, consumer rights and the Equality Act 2010, apply to all businesses whereas others relate to a specific industry only such as The Renting Homes (Fitness for Human Habitation) (Wales) Regulations 2022 is a specialist law that applies to landlords letting residential properties in Wales.
2.10.4	Learners should understand the impact on businesses of economic factors, including: • stage of the business cycle, including boom, decline, recession, growth • changes in levels of consumer disposable income • levels of employment and unemployment • impact of government action such as tax rates, fiscal and monetary policies • interest rates • subsidies • exchange rates • inflation.	This section identifies various economic factors that may impact upon a business. The factors in the content amplification should be shared with learners as they can help them to identify appropriate economic factors for any business. This is a general business qualification and so an in-depth knowledge of the economic theories supporting these factors is not required. Learners could discuss the economic factors that impact on businesses, and how these factor may impact some businesses positively but other businesses negatively. For example, if the economy enters a recession, some businesses providing high-priced luxury products may find that demand reduces whereas other businesses, such as discount retailers, may find that the same economic conditions lead to an increase in demand. These factors are regularly in the news and learners should be supported to develop an awareness of the general economic situation and the impact on a range of businesses.
2.10.5	Learners should understand the impact on businesses of political factors, including: • political stability/instability • changes in government • global trade restrictions, membership of trading blocs and custom unions • pressure groups • impact of privatisation/nationalisation • government spending	This section identifies various political factors that may impact upon a business. The factors in the content amplification should be shared with learners as they can help them to identify appropriate political factors for any business. This is a general business qualification and so an in-depth knowledge of politics is not required. Learners can research trade agreements and customs unions on the European Commission website.

© WJEC CBAC Ltd.

	• tax rates including income tax, national insurance, corporation tax and value added tax (VAT).	Learners could consider the dynamic nature of the political environment and how it can swiftly change, especially if the political party in power changes. In addition to national government decisions, businesses are also affected by local government decisions which may support/hinder business development. Local government can often have a greater influence on smaller businesses such as sole traders, e.g., a small takeaway business is affected by food hygiene inspections and planning regulations may affect a business's growth plans. Many of these factors are regularly in the news and learners should be supported to develop an awareness of the general political situation and the impact on a range of businesses.
2.10.6	Learners should understand the impact on businesses of the use and availability of technology, including: • logistics • marketing • e-commerce and m-commerce • production techniques • information and communication resources. Learners should refer to the content covered in Year 1 topics 1.5.4 and 2.4.	This section identifies various technological factors that may impact upon a business. The factors in the content amplification should be shared with learners as they can help them to identify appropriate technological factors for any business. This topic builds on a lot of the content from Year 1 topic 1.5.4 and 2.4 and so teachers should recap this content at the start of delivery of this topic. This is a general business qualification and so an in-depth knowledge of technology is not required. Learners need to focus on how the technological developments impact on businesses. They could consider the impact from any perspective including doing business online, using document sharing tools such as Google Doc or SharePoint, or holding meeting on Teams. They could consider the impact of technology on marketing, product development, operational efficiency, quality management, and financial management to name but a few. Learners could discuss how technology changes rapidly such as the recent developments in artificial Intelligence (AI) and why keeping up to date with technological change can be challenging, especially for smaller businesses with limited resources.

© WJEC CBAC Ltd.

2.11 Trading in the global business environment		
	Content Amplification	**Teacher Guidance**
2.11.1	Learners should understand: • globalisation and the international movement of products, labour and capital • types of international business activity including exporting and importing • global supply chains • the choice of geographical and product markets in which to operate internationally.	Teachers could introduce globalisation and give examples to show increase of global business operations. Learners could name different businesses that have grown to a global level and their business activity and note what has supported them to achieve such an outcome. Learners could read about the advantages and disadvantages of Global Supply Chains on the Chartered Institute of Procurement & Supply (CIPS) website. Learners could consider why businesses want to 'go global'.
2.11.2	Learners should understand why businesses trade internationally, and the opportunities and challenges of international trade: • opportunities including new markets, growth, spreading risk, economies of scale, increase in sales and profits and reducing operating and manufacturing costs • challenges including international trade regulations/laws concerning the import/export of products, supply chain problems, cultural and language differences, ethical/environmental damage, diseconomies of scale and currency fluctuations. Learners should be aware of what is meant by free trade, protectionism, tariffs and quotas, and trading blocs.	This topic links to some of the earlier content regarding business growth as expanding to new international markets is a common way of developing. Teachers could lead a discussion on how expanding internationally can create several new opportunities and can use case study examples to exemplify the different opportunities listed within the content amplification. For example, many businesses expand to offer their products to international markets to grow, especially if the domestic market is saturated. Many UK businesses have moved operations overseas to save operating costs by benefiting from lower wage rates/relaxed employment legislation in other countries. For example, China was once considered as a 'factory for the whole world' but due to rising demands from people and rising cost of goods it is no longer the 'cheapest' country to produce goods. Other countries such as India are being used e.g., by Apple to assemble its iPhones, and Tesla wanting to set up a factory to build its electric vehicles. Tutors could then ask learners to research how international trade could present a range of challenges for businesses, especially if inexperienced with this aspect of operations. For example, when Russia invaded Ukraine in 2022, many businesses

© WJEC CBAC Ltd.

		withdrew operations and stopped working with Russian partners due to the reputational risk. The Covid-19 pandemic also led to semiconductor shortages which affected the supply chain of many domestic businesses. The shortage of components meant that production had to the suspended or reduced which dissatisfied customers as demand could not be met. A common misconception is that local businesses are not affected by global issues. Even if a business operates on a local scale, it may still be affected by the global business environment as it could face competition from large multinational companies and/or it could import raw materials. Learners could use current news reports and articles to investigate global trade and develop an awareness of the general international trade situation and the impact on a range of businesses. Learners could consider how UK's withdrawal from the European Union led to a number of workers returning to their home nations and how this contributed to a labour shortage in the UK. They could consider how this labour shortage has affected industries directly e.g., due to being unable to employ sufficient employees and also indirect affects e.g., prices have risen for supplies. Learners could research the world's biggest trading blocs on the World Economic forum website, then discuss the benefits of these blocs for member states. The impact of free trade, protectionism, tariffs and quotas should also be considered from the viewpoint of businesses expanding beyond their national boundaries and also the domestic businesses which face different international competition.

© WJEC CBAC Ltd.

	Learners should understand what is meant by a multinational company.
	
	Learners should understand the reasons for the growth in multinational companies.
	
	Learners should understand the impacts of multinational companies on the different stakeholders in the host countries in which they operate including:
	• positive impacts such as:
	  • economic growth
	  • job creation and training
	  • improvements in infrastructure
	  • increase in customer choice
	  • introduction of new skills, technology and working methods.
	• negative impacts such as:
	  • market dominance leading to a loss of localised products/businesses
	  • reduction in cultural identity
	  • exploitation of resources
	  • increased unemployment in local industries
	  • higher pollution, noise and environmental damage
	  • profits not invested in host country
	  • reduced taxes paid to host country – tax avoidance.
		Many companies are known as multinational, and they compete with domestic businesses alongside other multinationals.
		
		Learners could read about Multinational Corporations (MNCs), their characteristics and their reasons for being a MNC on the Corporate Finance Institute (CFI) website, then research examples of well-known multinational companies and the types of products offered, and the growth in multinational companies over time.
		
		Learners could consider the impact of multinational companies on a range of stakeholders in the host countries. These impacts may be positive or negative depending on the stakeholder, e.g., some people may benefit from job creation if they secure a job working for the multinational whereas other employees who work for domestic businesses may be made redundant if the domestic business is unable to compete against the multinational.
		
		Learners could identify a range of businesses that operate in different countries. Using the learner's answers, teachers could lead a discussion on the current issues facing the global economy such as trade disputes, their impact on local economy and provisions of jobs, and any exploitation of workers and raw materials.

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.

© WJEC CBAC Ltd.

CREATE YOUR OWN EXAMS

When you are helping your learners prepare for Year 2, 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.

© WJEC CBAC Ltd.

State the meaning of the term 'rationalisation'. **[1]**



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 Section B and Section C of 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.	Ay 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(d).**

© WJEC CBAC Ltd.

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.

© WJEC CBAC Ltd.

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 Section A 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 2(f) 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.**

© WJEC CBAC Ltd.

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(d) 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.
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.

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.

© WJEC CBAC Ltd.

Assessment of Year 2

External Assessment

Business Strategy
Written examination: 1hr 40 mins
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 three sections. All questions in Section A and Section B are compulsory. In section C, candidates will select and answer one question from a choice of two.

The assessment objective weightings for Business Strategy are:

	AO1	AO2	AO3
Raw marks	30	30	20
% of assessment	37.5%	37.5%	25%
% of Applied Extended Certificate	7.5%	7.5%	5%

Internal Assessment

Business Investigation
Controlled Assessment: 12 hours
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.

© WJEC CBAC Ltd.

The assessment objective weightings for Business Strategy are:

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

© WJEC CBAC Ltd.

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

© WJEC CBAC Ltd.

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. This can be handwritten or digitally produced.
- Compile an appendix for all completed research findings (evidence of research carried out).

© WJEC CBAC Ltd.

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?

		Entry Code
Business Strategy	External	4783U3
Business Investigation	Internal	4783U4

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 2025 will be the first submission opportunity for Business Investigation.

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 2025 will be the first assessment opportunity for Business Strategy.

© WJEC CBAC Ltd.

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

In the internal assessment, Business Investigation, 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.

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 external exam that has been completed in in the Business Investigation 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 Investigation?

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 49-50 of this document for more information on how to manage the Controlled Assessment.

© WJEC CBAC Ltd.

How long should learners spend on their Controlled Assessment?

Learners should spend no more than 12 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 49-50 of this document for more information on how to manage the Controlled Assessment.

Can learners complete their Controlled Assessment outside of the classroom?

No. Please see the Administration Guide and page 49-50 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 has a word limit of 500 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 49-50 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 49-50 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 50 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 49-50 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 49-50 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 49-50 of this document for more information on how to manage the Controlled Assessment.

© WJEC CBAC Ltd.

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.

© WJEC CBAC Ltd.

GLOSSARY FOR YEAR 2

Term	Definition
Business cycle	A series of sequences to show the change in economic growth of an economy. There are four phases from economic booms (peaks) to recessions (troughs).
Corruption	A form of illegal behaviour and/or dishonesty by a person. They abuse their entrusted power for personal gain.
Data mining/analytics	Where the data stored in large databases is analysed to find trends and patterns.
Delphi method	A qualitative method of sales forecasting. It is based on the assumption that forecasts from a group are more accurate than those from individuals. Multiple rounds of questionnaires are forwarded to experts to agree a consensus opinion.
Diseconomies of scale	When a business increases its scale of production, i.e., grows, the cost per unit of production increases. The impact may be reduced profitability.
E-commerce	The buying and selling of products over the Internet. E-commerce stands for electronic commerce**.**
Economies of scale	When a business increases its scale of production, i.e., grows, the cost per unit of production reduces. Economies of scale can be internal or external.
Fairtrade	Fairtrade is a trading partnership whereby businesses work with farmers and employees in developing nations to help them to improve their standards of living, protect their environment and invest in communities and businesses. The farmers and workers are treated fairly, e.g., fair prices and ethical working conditions.
Fintech	Financial technology refers to businesses using technology to deliver financial services.
Fiscal policy	Where the government changes government spending and tax policies to influence the economic activity.
Government subsidies	Where the government offers support such as tax breaks/credits, loans, grants etc. to specific industries.
Integration	Where two businesses join together to form one business.
Internet of Things (IoT)	A system of interrelated devices that connect and send/receive data.
M-commerce	The buying and selling of products through wireless handheld devices including tablets and smartphones. M-commerce stands for mobile commerce.

© WJEC CBAC Ltd.

Monetary policy	Where the central bank influences the quantity of money in an economy and how much it costs to borrow to achieve macroeconomic objectives such as inflation and economic growth.
Moving average	A statistical method to forecast long-term trends. It is a quantitative method of forecasting which involves taking the average of a set of numbers in a given range whilst moving the range so that a smoother estimate of the trend is observed.
Outsourcing functional areas	Where a third-party provider is hired to perform a business function(s).
Philanthropy	Acting/investing for the public good, for instance a business donating money to support good causes or employee time to make life better for others.
Protectionism	Government policies to restrict imports from other countries to support domestic businesses and industries. Various methods can be used including tariffs and quotas.
Quota	A limit on the number of goods that a country can import or export during a specific period.
Rationalisation	The reorganisation of a business to increase operational efficiency and productivity.
Reforestation	Replanting trees to restock woodlands/forests that have been depleted.
Social mobility	Where people/households/families change their social status in a society. It is an important factor in the creation of a strong economy.
Surplus	An amount of something left over when all needs have been met. In financial terms a surplus refers to the funds left over when all costs have been paid, i.e., for private sector businesses this term refers to the profit.
Synergy	Where two or more organisations interact to produce a combined effect which is greater than the sum of their individual efforts. The combined performance is greater than what could be achieved by the organisations separately.
Tariff	Taxes charged on the import of goods from overseas countries.
Trading bloc	An inter-governmental agreement where barriers to international trade, such as tariffs or quotas, are reduced or removed among participating countries.

© WJEC CBAC Ltd.