

GCSE



WJEC GCSE in BUSINESS

APPROVED BY QUALIFICATIONS WALES

SPECIFICATION

Teaching from 2017
For award from 2019

Version 2 January 2019



This Qualifications Wales regulated qualification is not available to centres in England.

SUMMARY OF AMENDMENTS

Version	Description	Page number
2	'Making entries' section has been amended to clarify resit rules.	34



WJEC GCSE in BUSINESS

For teaching from 2017

For award from 2019

This specification meets the Approval Criteria for GCSE Business and the GCSE Qualification Principles which set out the requirements for all new or revised GCSE specifications developed to be taught in Wales from September 2017.

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GCSE BUSINESS (WALES)

SUMMARY OF ASSESSMENT

Unit 1: Business World Written examination: 2 hours 62.5% of qualification	100 Marks
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A mix of short answer and structured questions based on stimulus material covering all of the specification content

Unit 2: Business Perceptions Written examination: 1 hour 30 minutes 37.5% of qualification	60 Marks
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Data response questions covering all of the specification content

This linear qualification will be available in the summer series each year. It will be awarded for the first time in summer 2019.

Qualification Approval Number: C00/1155/5

GCSE BUSINESS

1 INTRODUCTION

1.1 Aims and objectives

This GCSE specification in Business will enable learners to:

- actively engage in the study of business to develop as effective and independent learners, and as critical and reflective thinkers with enquiring minds
- use an enquiring, critical approach to distinguish facts and opinions, to build arguments and make informed judgements
- develop and apply business knowledge, understanding and skills to contemporary issues in a range of local, national and global contexts
- appreciate a range of perspectives on the impacts of business on wider society
- consider the extent to which business activity can be ethical and support sustainable development
- develop and apply quantitative skills relevant to business including using and interpreting data
- apply and relate knowledge and understanding to real enterprise and business opportunities, decision making and scenarios.

This GCSE specification introduces learners to the business world, empowering them to develop as commercially minded and enterprising individuals. Learners will have the opportunity to develop a wide range of skills, enabling them to use business information critically, to develop arguments, to make justified decisions and to prepare them for further study and career pathways.

The focus of the specification is to introduce and nurture an enthusiasm for studying business in a range of contexts. Learners will appreciate how businesses operate in a dynamic and competitive environment and develop an understanding of the interdependent nature of business functions from a local to a global perspective.

This specification also gives learners an opportunity to produce extended written responses and demonstrate the quality of their written communication, including appropriate use of punctuation and grammar.

1.2 Prior learning and progression

There are no previous learning requirements for this specification. Any requirements set for entry to a course based on this specification are at the school/college's discretion.

This specification builds on subject content which is typically taught at key stage 3 and provides a suitable foundation for the study of Business at either AS or A level. In addition, the specification provides a coherent, satisfying and worthwhile course of study for learners who do not progress to further study in this subject.

1.3 Equality and fair access

This specification may be followed by any learner, irrespective of gender, ethnic, religious or cultural background. It has been designed to avoid, where possible, features that could, without justification, make it more difficult for a learner to achieve because they have a particular protected characteristic.

The protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The specification has been discussed with groups who represent the interests of a diverse range of learners, and the specification will be kept under review.

Reasonable adjustments are made for certain learners in order to enable them to access the assessments (e.g. candidates are allowed access to a Sign Language Interpreter, using British Sign Language). Information on reasonable adjustments is found in the following document from the Joint Council for Qualifications (JCQ): *Access Arrangements and Reasonable Adjustments: General and Vocational Qualifications*.

This document is available on the JCQ website (www.jcq.org.uk). As a consequence of provision for reasonable adjustments, very few learners will have a complete barrier to any part of the assessment.

1.4 Welsh Baccalaureate

In following this specification, learners should be given opportunities, where appropriate, to develop the skills that are being assessed through the Skills Challenge Certificate within the Welsh Baccalaureate:

- Literacy
- Numeracy
- Digital Literacy
- Critical Thinking and Problem Solving
- Planning and Organisation
- Creativity and Innovation
- Personal Effectiveness.

1.5 Welsh perspective

In following this specification, learners must consider a Welsh perspective if the opportunity arises naturally from the subject matter and if its inclusion would enrich learners' understanding of the world around them as citizens of Wales as well as the UK, Europe and the world.

2 SUBJECT CONTENT

The subject content enables learners to apply their knowledge and understanding to different business contexts, including businesses ranging from small enterprises to large multinationals and businesses operating in local, national and global contexts. Learners are required to develop an understanding of how these contexts impact on business behaviour.

Learners will gain an understanding of the important role played by these business organisations in the economy of Wales and the rest of the UK.

Learners will be expected to be familiar with current issues in business and develop an understanding of the dynamics of business activity and consider data which relates to the Welsh business environment. Learners should investigate the real business world to develop an understanding of contemporary business opportunities and issues.

Learners are expected to apply their knowledge and understanding of the subject content to business decision-making, including:

- the interdependent nature of business activity, influences on business, business operations, finance, marketing and human resources; and how these interdependencies underpin business decision making
- how different business contexts affect business decisions
- the use and limitation of quantitative and qualitative data in making business decisions

Learners will be expected to draw on their knowledge and understanding of the subject content to:

- use business terminology to identify and explain business activity
- apply business concepts to familiar and unfamiliar contexts
- develop problem solving and decision making skills relevant to business
- investigate, analyse and evaluate business opportunities and issues
- make justified decisions using both qualitative and quantitative data including its selection, interpretation, analysis and evaluation, and the application of appropriate quantitative skills

Learners will be expected to use a range of mathematical skills and make justifiable decisions using both quantitative and qualitative methods applied in the context of GCSE Business. These quantitative skills will be assessed in both examination papers, totalling at least 10% of the overall marks available for the qualification.

The appendix lists the range and extent of mathematical techniques learners are required to apply to relevant business contexts.

Calculators may be used in both examination papers. Learners are responsible for making sure that their calculators meet the relevant regulations for use in written examinations: information is found in the JCQ publications Instructions for conducting examinations and Information for candidates for written examinations.

The content is presented in six clear and distinct topic areas:

- Business activity
- Influences on business
- Business operations
- Finance
- Marketing
- Human resources

Within each topic area the knowledge, understanding and skills are set out with an initial overview and then in two columns. The first column states the content to be studied. The second column gives amplification of this content. Together these two columns give the full content of the specification. The content in both columns has to be studied by learners.

There is no hierarchy implied by the order in which the content is presented and although it does not imply a prescribed teaching order, it is recommended that Business activity and Influences on business are studied first.

The subject content for GCSE Business will be assessed across two examination papers.

Unit 1: Business World

Written examination: 2 hours
62.5% of qualification

Total marks: 100

Unit 2: Business Perceptions

Written examination: 1 hour 30 minutes
37.5% of qualification

Total marks: 60

Both units assess content from all six topic areas, so learners will be required to draw together knowledge, skills and understanding from across the subject content in each assessment.

1. Business activity

Learners need to understand the nature of business activity and how it is concerned with meeting the needs of customers by providing a product or service, in most cases, for a profit. At the heart of business activity is enterprise and entrepreneurs, who initiate and grow businesses, with a wide range of aims and objectives. These objectives often adapt as businesses grow and as the market and competitive environment in which they operate changes. Business organisations vary in size and ownership and operate in local, national and global contexts. Businesses have many stakeholders who are affected by business activity and can also impact on business behaviour.

1.1 The nature of business activity

Content	Amplification
The nature of business activity	<p>Including:</p> <ul style="list-style-type: none"> • The competitive environment • The dynamic environment • The identification and response to business opportunities • The different scale at local, national and global levels • The interdependent nature of business activity (actions in one part of the business affect the outcomes in another part of the business)
Use business data in a variety of different formats to understand business activity and aid problem solving and decision-making	Including qualitative and quantitative data, graphs, tables and charts
Use mathematical techniques to calculate data in a business context	Including the calculations of percentages, percentage changes and averages
Interpret qualitative and quantitative data in business contexts to solve problems and support, inform and justify business decisions	Including the selection, interpretation, analysis and evaluation of data such as market share, financial data, marketing data, changes in costs and changes in prices

1.2 Providing goods and services

Content	Amplification
The provision of goods and services for consumers and producers	Distinguish between consumer and producer goods, durable and non-durable goods and personal and commercial services
Distinguish between the private and public sector in the provision of goods and services	<p>Learners do not need to have detailed knowledge of the public sector</p> <p>Learners need to recognise the purpose, types of goods and services provided and examples of organisations in the private and the public sector</p>
The resources needed to produce goods and services	Including raw materials, machinery and equipment, workers and site

1.3 Business enterprise	
Content	Amplification
<p>What is business enterprise</p> <p>The role of the entrepreneur in business activity and assisting business start-up</p> <p>The advice and help available to business start-ups</p> <p>The characteristics of an entrepreneur</p> <p>The motives of entrepreneurs</p> <p>The risks and rewards of business enterprise</p>	<p>Including initiative, innovation, identifying opportunities and organising resources</p> <p>Including Welsh Government schemes (such as Business Wales), small business advice websites, commercial banks and The Prince's Trust</p> <p>Including being a risk taker, using initiative, making decisions, organising the business, being innovative, hardworking and determined</p> <p>Including financial, non-financial and social/community (social enterprises)</p> <p>Learners need to be aware of the types of risks involved such as low sales, unexpected costs and unexpected events</p> <p>Rewards can be financial (profit) and non-financial such as satisfaction, building something new and good customer feedback</p> <p>Learners are expected to apply their knowledge of enterprise to different business contexts</p>
1.4 Business planning	
Content	Amplification
<p>Recognise the importance of business planning</p> <p>The role of the business plan in business start-ups</p> <p>The main sections of a business plan</p>	<p>Business planning is not only important for new businesses, but also established businesses</p> <p>Including as a decision-making tool, seeking finance/investment, to show future vision and as a management tool</p> <p>There are various versions of business plans, however, the main sections tend to include business description, marketing, financial, production operations and human resources</p>

1.5 Business aims and objectives	
Content	Amplification
The main types of business aims	Including survival, profit maximisation, growth, market share, customer satisfaction, social/community and ethical and environmental
The role of business objectives in helping a business achieve its aims, make decisions and to measure business performance	
Use of SMART objectives in business	Specific, Measurable, Agreed, Realistic and Timed Learners are expected to compose and analyse SMART objectives, such as increase profit by 10% over the next 12 months, in different contexts
How business aims and objectives differ for different business organisations	Learners are expected to apply their knowledge of business aims and objectives to different business contexts
How aims and objectives change in a competitive and dynamic business environment	The cause of change could be internal factors such as business growth or external factors such as an increase in consumer incomes
The range of stakeholders involved in business activity	Including owners, employees, managers, customers, suppliers, government and local communities
How stakeholders influence business activity and business decisions	Including decision-making, aims and objectives operational issues, sales, costs and profits
The impact of business aims and objectives on stakeholders	Including financial, employment, operational, social, products and services
How business decisions may have contradictory effects on stakeholders	Learners are expected to understand that with so many different stakeholders there will be disagreements and conflict between them Disagreements and conflict include maximising profit, low wages, environmental damage, poor quality products and late payment for materials

1.6 Business ownership	
Content	Amplification
The main features of unlimited liability business organisations	Including sole traders and partnerships
The main features of limited liability business organisations	Including private and public limited companies Learners do not need to know the legal process of incorporation Learners are expected to understand the concept of limited and unlimited liability and the implications of this in deciding on business ownership
The advantages and disadvantages of choosing different business ownership	
The main features of co-operatives and charities	Including aims, ownership and use of profits Learners do not need to know about the process of setting up co-operatives or charities
The most appropriate business structure in different contexts and scenarios	Including business start-ups, growth, the consideration of aims and objectives, liability, size, finance, control, formation and distribution of profits Learners are expected to apply their knowledge of business ownership to different business contexts

1.7 Business growth	
Content	Amplification
The reasons why businesses grow	Including to increase profit, improve market share, reduce competition, diversification, spreading risks and benefits of internal economies of scale Internal economies of scale include purchasing, marketing, technical, financial and administrative Learners are not required to know external economies of scale and diseconomies of scale
Different methods of growth:	
<ul style="list-style-type: none"> Internal (organic) growth 	Including selling more of current products in existing markets, looking for new markets, launching new products, increasing advertising, promotion and investment
<ul style="list-style-type: none"> External growth (integration) 	Including mergers and takeovers (acquisitions) Learners are expected to understand horizontal and vertical (forward and backward) integration and their benefits and costs The benefits of diversifying into new markets also need to be considered
<ul style="list-style-type: none"> Franchising 	Learners need to understand that franchising is a method of growth for established businesses (franchisor) and a business opportunity for the franchisee
The advantages and disadvantages of operating as a franchisor and franchisee	Learners are expected to have a general understanding of how a franchise model works
The most appropriate method of growth for different businesses in different contexts and scenarios	Learners are expected to apply their knowledge of business growth to different business contexts
The reasons why some businesses remain small	Including market size limitations (including niche markets), availability of capital and desire of the entrepreneur/owners

1.8 Business location and site	
Content	Amplification
The factors influencing where a business locates	Including proximity to market, costs, infrastructure labour supply and materials These factors focus on a geographical area for location
The factors influencing the siting of a business	Including accessibility, footfall, costs, size, proximity/closeness to competitors and personal reasons These factors focus on a specific site within a geographic location
Selecting the most appropriate location and site for different businesses in different contexts and scenarios	Learners are expected to apply their knowledge of business location and site to different business contexts
1.9 The interdependent nature of business	
Content	Amplification
The role of the main functions in a business	Including business operations, finance, marketing, and human resources
How the different functions of business are connected and work together to achieve aims and objectives	Learners need to recognise that business operations, finance, marketing and human resources functions cannot work in isolation and need to work together to make business decisions

2 Influences on business

Learners need to understand that all businesses operate in an external environment and there are a number of external influences that impact on business activity. The success or failure of a business will often depend on its willingness and ability to recognise and anticipate these external influences. It is important that businesses respond to these influences in order to remain competitive and achieve their aims and objectives. External influences can impact on a business and its stakeholders in a number of diverse and conflicting ways.

2.1 Technological influence on business activity

Content	Amplification
How changes in technology affect business activity	Learners are expected to understand that technology can affect business in many different ways and this is constantly changing
The use of technology in the workplace	<p>Including administration, communication, recruitment and stock control</p> <p>Learners are expected to have a broad understanding of the use of computer packages in the workplace (specific brand products are not required) including word processing packages for processing information, databases for storing information, spreadsheets for making calculations, video conferencing and networking for communication, presentational software for presentations, computer graphic packages for advertising and promotion and website design packages for building websites</p>
The use of e-commerce and m-commerce in the selling of goods and services	<p>E-commerce refers to buying goods and services online via the internet, m-commerce is buying through wireless hand held devices</p> <p>Learners need to understand that in a competitive and dynamic marketplace businesses need to utilise the latest technological developments to sell their products</p>
The use of digital media and social media to communicate with customers	<p>Learners need to understand how digital media and social media have changed the way in which businesses can communicate with their customers and how businesses can use them to meet their objectives</p> <p>Learners should be aware of the latest types of social media used by businesses</p>
The advantages and disadvantages of using new technology for businesses and their stakeholders	<p>Technological change is not always positive and does have some disadvantages such as increased dependency on technology, cost (particularly for small businesses), loss of jobs, closure of high street shops and security breaches</p> <p>Learners are expected to apply their knowledge of technological influence to different business contexts</p>

2.2 Ethical influence on business activity	
Content	Amplification
<p>What is meant by business ethics</p> <p>The conflict between ethics and profit</p> <p>The types of ethical issues that impact on business activity</p> <p>The advantages and disadvantages of adopting ethical policies on businesses and their stakeholders</p>	<p>Including the identification of ethical and unethical business practices</p> <p>Including ethical marketing, suppliers, animal rights, social responsibility, treatment of workers and fairtrade</p> <p>Learners need to understand that most businesses have ethical policies, some of which go beyond legal requirements</p> <p>Including positive effects such as increased consumer attraction, stability of suppliers, employee motivation and negative effects such as the impact on business costs and profitability</p> <p>Learners are expected to apply their knowledge of ethical influence to different business contexts</p>
2.3 Environmental influence on business activity	
Content	Amplification
<p>The possible environmental costs of business activity</p> <p>What is meant by sustainability</p> <p>How businesses can respond to environmental issues and act in a sustainable manner</p> <p>The advantages and disadvantages of implementing environmentally friendly policies on businesses and their stakeholders</p>	<p>Including pollution, climate change, congestion and use of finite resources</p> <p>The focus is on environmental sustainability and how business activity may or may not be harmful to the environment and should attempt to avoid the depletion of natural resources</p> <p>Including renewable energy, bio-degradable packaging, recycling schemes, fairtrade, water efficiency and minimising waste</p> <p>Including positive effects such as increased consumer attraction, employee motivation, reduced wastage and negative effects such as the effect on business costs and increased price for consumers</p> <p>Learners are expected to apply their knowledge of environmental influence to different business contexts</p>

2.4 Economic influence on business activity	
Content	Amplification
<p>The economic factors that affect business activity</p>	<p>Including changing levels of consumer income, unemployment, inflation, interest rates and tax rates</p> <p>Learners are not required to know economic theory relating to levels of consumer income, unemployment, inflation, interest rates and tax rates</p> <p>Learners need to understand that the economic climate changes over time</p> <p>Learners should be able to identify the main characteristics of the Welsh economy and how these affect business activity</p>
<p>The impact of these economic factors on businesses and their stakeholders</p>	<p>Learners are expected to apply their knowledge of economic influence to different business contexts</p>

2.5 The impact of globalisation on businesses	
Content	Amplification
What is meant by international trade	Understand that this involves exports and imports Concepts of comparative and absolute advantage are not required
The advantages and disadvantages of international trade to UK businesses	Advantages of international trade include growth, new markets, spreading risk, increasing sales and profits and spreading of technical knowledge Disadvantages include language barriers, supply chain issues, currency issues and local taxes and laws
What is meant by globalisation	The main features of globalisation include increased international trade, development of multinational companies and the free movement of labour and capital across international borders
The opportunities and threats to businesses operating in a global marketplace	Increase in world trade has resulted in much greater opportunities, but also greater competition
The impact of globalisation on UK businesses and their stakeholders	Learners need to recognise that there are positive and negative impacts of globalisation on UK businesses and their stakeholders
What is a multinational company	Globalisation has resulted in increased numbers of multinational companies Learners need to understand the importance of global brands Learners need to understand why businesses wish to become multinational companies including increasing market share, cheaper production costs, economies of scale, avoiding trade barriers and government grants
The impact of multinationals setting up in Wales and the rest of the UK	Learners should recognise that multinationals have: Positive impacts such as creation of jobs, introducing new technology, contributing to economic growth and increased consumer choice Negative impacts such as environmental damage, exploitation of labour, deskilled jobs and profits do not stay in the UK
What are the European Union and the European single market	Learners need to have a broad overview of the European Union Detailed knowledge of the European Union organisations is not required Learners need to understand the concept of a European single market and what impact it has on UK businesses
The impact of membership and non-membership of the European Union to businesses and their stakeholders	Including free trade between member states, free movement of labour and regulations affecting businesses The focus of the impact should be on business and economic reasons and not political or social reasons Learners are expected to apply their knowledge of globalisation to different business contexts

2.6 The impact of legislation on businesses	
Content	Amplification
The need for legislation in business	Learners need to understand that businesses have to operate within the confines of legislation
The constraints and responsibilities that legislation puts on business activity	Including employment law, consumer law and intellectual property Detailed knowledge of particular Acts of Parliament is not required
Employment law protects employees in a number of ways such as contracts of employment, discrimination, equal pay and unfair dismissal	Learners need to understand that employees have the right to a minimum wage (including the National Minimum Wage and the National Living Wage), contract of employment, safe working conditions, no discrimination and protection against unfair dismissal
Consumer law protects consumers in a number of ways such as product quality, fit for purpose, advertising and trade descriptions	Learners need to understand that consumers are protected against unfair selling practices including unsatisfactory quality, misleading advertising practices and the right to accurate descriptions of goods
Intellectual property protects the originator of inventions, literary and artistic works through the use of patents, copyright and trademarks	Learners need to have a broad understanding of how intellectual property rights are protected
The impact of legislation on businesses and their stakeholders	Including costs and profits, marketing, sales, production and human resource activities Learners are expected to apply their knowledge of legislation to different business contexts

3 Business operations

Learners need to understand that business operations are concerned with the efficient management of the key functions and resources within a business to maximise profit. Businesses will organise their operations in different ways, depending on their size, the types of goods or services they sell and the markets they operate in. These different contexts will also affect decision-making on how a business operates.

3.1 Production

Content	Amplification
The methods of production	Including job, batch and flow (mass) production Learners are expected to understand the reasons why businesses decide on their chosen method of production such as, cost, quality, and quantity
The advantages and disadvantages of each of the different methods of production for businesses and their stakeholders	
The influence of technology on production	Including automation, computer aided design (CAD), computer aided manufacture (CAM) and robotics
Suggest the most appropriate method of production in different contexts	Learners are expected to apply their knowledge of methods of production to different business contexts

3.2 Quality

Content	Amplification
Customer expectation of quality	Including physical products and the provision of services
How a business achieves quality	Including purchasing the right raw materials/components, having the best production processes, employing the right people, training employees and implementing quality assurance
The importance of quality to a business	Including satisfying customer expectations, increasing customer satisfaction, increasing sales, reducing costs and waste Learners are expected to apply their knowledge of quality to different business contexts

3.3 Supply chain	
Content	Amplification
<p>The various stages of the movement of goods and services from their source to the end customer:</p> <ul style="list-style-type: none"> • Procurement • Logistics • Stock control <p>The relationship between the functional areas of a business and its supply chain</p> <p>The impact of supply and logistical decisions on businesses and their stakeholders</p>	<p>Learners are required to have an overview of the role of the procurement, logistics and stock control stages of the supply chain</p> <p>Detailed knowledge of each stage is not required</p> <p>Including the identification of suitable suppliers (sourcing) and purchasing supplies</p> <p>Including transportation of supplies, storage (warehousing) and distribution to the end customer</p> <p>Including traditional stock control methods, just in time (JIT) and computerised stock control</p> <p>Construction and interpretation of stock control diagrams are not required</p> <p>Learners need to understand how the supply chain will work with marketing, sales and finance to achieve the aims and objectives of the business</p> <p>Including decisions on where to source supplies (such as globally and less developed countries), quality and cost of supplies, how to store and distribute supplies and finished products and how to manage stock control</p> <p>Impacts include, costs, quality of finished goods, reliability of delivery, the production process, price change, customer satisfaction, reputation, sales and profits</p> <p>These impacts can be positive or negative</p> <p>Learners are expected to apply their knowledge of the supply chain to different business contexts</p>

3.4 Sales process	
Content	Amplification
The various stages involved in the sales process	<p>Including:</p> <ul style="list-style-type: none"> • Preparing through good product knowledge • Identify sales opportunities • Customer engagement: <ul style="list-style-type: none"> • Understanding needs and wants of customers • Informing customers of the features and benefits of the product or service • Closing the sale • Following up and after sales
How the sales process is adapted in different situations	Including retail sales, online sales and high value sales
The relationship between sales and other functions in the business	Learners need to understand how the sales function will work with marketing, finance, production and the supply chain to achieve the aims and objectives of the business
The importance of good customer service and meeting customer expectations	Including increasing customer loyalty, increasing customer spend, improving reputation and attracting new customers
The features of good customer service	<p>Including:</p> <ul style="list-style-type: none"> • Greeting the customer • Interacting with the customer • Identifying customer needs and wants • Encouraging feedback from the customer • Responding to feedback
The situations when business interact with customers	Including sales, queries, complaints and after sales
How customer service is carried out online	<p>Learners need to be aware of how online businesses adapt the features of good customer service for their websites</p> <p>Learners are expected to apply their knowledge of the sales process and customer service to different business contexts</p>

4 Finance

Learners need to understand that the finance function manages the financial activities of a business. It will have a number of roles including start-up finance, the preparation and creation of financial accounts, maintaining financial records, paying bills and analysing financial performance. Businesses will organise their finance function in different ways, depending on their size, the goods and services they sell and the markets they operate in. The financial decisions made by businesses will also be affected by these different contexts.

4.1 Sources of finance

Content	Amplification
<p>The main internal and external sources of finance to new and established businesses</p>	<p>Including:</p> <p>Internal</p> <ul style="list-style-type: none"> • Owner's capital • Retained profit • Selling assets <p>External</p> <ul style="list-style-type: none"> • Family and friends • Bank loans and overdrafts • Venture capitalists and business angels • New partners • Share issue • Trade credit • Leasing • Hire purchase • Welsh, UK and European Union Government grants
<p>The advantages and disadvantages of the different sources of finance</p>	
<p>The suitability of the different sources of finance in different contexts such as business start-up, cash flow issues and expansion</p>	<p>Learners are expected to apply their knowledge of sources of finance to different business contexts</p>

4.2 Revenue and costs	
Content	Amplification
<p>What is meant by revenue, costs, profit and loss</p> <p>Calculate and interpret:</p> <ul style="list-style-type: none"> • Fixed costs • Variable costs • Total costs • Total revenue • Profit/loss <p>What is meant by break-even</p>	<p>Learners are expected to understand the purpose of break-even and how it helps a business understand its costs, revenue and potential profit to inform business decisions</p>
<p>Construct and interpret a break-even chart</p>	<p>Learners are expected to draw a break-even chart, plotting fixed cost, variable cost, total cost and total revenue lines to show the break-even point</p>
<p>Calculate break-even through contribution</p>	<p>Learners are expected to calculate break-even per unit using the formula:</p> <p><u>fixed costs</u> contribution per unit</p> <p>(contribution is selling price – variable cost)</p>
<p>The effects on break-even of changes in costs and/or prices</p>	<p>Learners are expected to be aware of the impact of changing costs and revenue on break-even and apply this to different 'what if' scenarios</p> <p>Learners are expected to interpret break-even data to inform business decisions</p>
<p>The use of profit as a reward for business investment</p>	<p>Learners need to understand that profit is the main motive for investment and provides the measure of success</p> <p>Learners are expected to apply their knowledge of revenue, costs, profit, and break-even to different business contexts</p>

4.3 Profit and loss accounts (income statements)	
Content	Amplification
<p>The main components of a profit and loss account</p> <p>Construct and calculate a profit and loss account</p> <p>Interpret a profit and loss account</p> <p>Calculate and interpret gross and net profit margins to comment on business performance</p> <p>Recommend and justify how to improve profit/reduce costs</p>	<p>Including sales turnover (revenue), cost of sales, gross profit, expenses and net profit</p> <p>Learners are expected to understand the importance of the profit and loss account to businesses and their stakeholders</p> <p>Learners are expected to know, understand and use gross profit margin (GPM) and net profit margin (NPM) formulas:</p> $\frac{\text{gross profit}}{\text{sales}} \times 100$ <p>to give the GPM as a percentage (%)</p> $\frac{\text{net profit}}{\text{sales}} \times 100$ <p>to give the NPM as a percentage (%)</p> <p>Learners are expected to interpret GPM and NPM by comparing data from a single business or different businesses over time</p> <p>Learners are expected to apply their knowledge of profit and loss, GPM and NPM to inform business decisions</p>
4.4 Cash-flow	
Content	Amplification
<p>The importance of cash to a business</p> <p>What is meant by a cash-flow forecast</p> <p>Construct, calculate and interpret cash-flow forecasts</p> <p>The impact of cash-flow forecasts on a business and its stakeholders</p> <p>Recommend and justify what can be done to improve cash-flow problems</p>	<p>Learners are expected to know the difference between cash and profit</p> <p>Learners need to understand that this is a prediction of future inflows and outflows of cash for a business</p> <p>Including revenue, total revenue, expenses, total expenses, net cash-flow, opening balance and closing balance</p> <p>Learners are expected to interpret the data and calculations in a cash-flow forecast to comment on cash-flow situations</p> <p>Learners are expected to understand how cash-flow forecasts can be used to inform business decisions</p> <p>Including increase revenue, reduce costs, delay payments and extra funding</p> <p>Learners are expected to apply their knowledge of cash-flow to different business contexts</p>
4.5 Financial performance	
Content	Amplification
<p>Use data on revenue, costs, profit, profit and loss accounts and cash-flow to analyse business performance and to make business decisions</p>	<p>Learners are expected to apply their knowledge of financial information to analyse data, solve problems, make evaluations and inform business decisions in different contexts</p> <p>Learners are expected to also consider qualitative data to inform business decisions</p>

5 Marketing

Learners need to understand that marketing involves identifying, anticipating and satisfying customer needs in a profitable way. Marketing affects all functions of a business and includes a wide range of activities including researching the market, analysing the market and developing a marketing strategy through the implementation of the marketing mix. Businesses will organise their marketing function in different ways, depending on their size, the goods and services they sell and the markets they operate in. Marketing decision-making will also be affected by these different contexts.

5.1 Identifying and understanding customers

Content	Amplification
The importance to a business of identifying and understanding its customers	Learners need to recognise the importance of identifying the right customers and how understanding their needs will contribute to business success
How markets are segmented	Including age, gender, income, geographic and lifestyle
The reasons why businesses segment the market	Including the division of mass markets, to target the right products at the right people, to satisfy customer needs, to increase sales and profits Learners are expected to apply their knowledge of segmentation to different business contexts

5.2 Market research

Content	Amplification
The purpose and importance of carrying out market research	
Distinguish between primary (field) and secondary (desk) research	
The methods of primary and secondary research	Including: Primary <ul style="list-style-type: none"> • Surveys • Focus groups • Consumer panels • Interviews • Observation Secondary <ul style="list-style-type: none"> • Internal sources such as financial and sales information • External sources such as government sources, the internet, competitor information, newspapers and magazines
The advantages and disadvantages of carrying out primary and/or secondary research for different businesses in different contexts and scenarios	Learners are expected to apply their knowledge of market research to different business contexts
The need for accurate and up-to-date market research data	Learners need to recognise the limitations of market research data
Distinguish between qualitative and quantitative market research data	Including qualitative and quantitative data, graphs, charts and tables
Interpret, analyse and evaluate marketing research data to solve problems and inform business decisions	

5.3 The marketing mix	
Content	Amplification
<p>The need for businesses to create a successful mix of the right product, sold at the right price, in the right place and with the most suitable promotion</p> <p>How the 4P's of the marketing mix, product, price, promotion and place, work together to achieve the aims and objectives of a business</p> <p>How the marketing mix is used to inform and implement business decisions</p> <p>How businesses will alter their marketing mix over time and in response to changing market factors</p> <p>How the marketing mix will differ for different types and sizes of businesses</p>	<p>Learners need to understand that a business will combine all elements of the marketing mix to develop a marketing strategy</p> <p>Learners need to understand that the marketing mix is the tool to implement the marketing strategy and will work with other business functions such as operations, finance and sales, to achieve the aims and objectives of the business</p> <p>Learners need to understand that marketing strategies have to adapt to changing market conditions and the elements of the marketing mix may have to be altered to ensure business success</p> <p>Learners are expected to apply their knowledge of the marketing mix to different business contexts</p>
5.4 Product	
Content	Amplification
<p>A product is any good or service offered for sale to customers</p> <p>The use of the product life cycle diagram to show how demand for a product or service might change over time</p> <p>The stages of a product life cycle</p> <p>What is meant by an extension strategy</p> <p>Construct and interpret a product life cycle diagram</p> <p>The usefulness of product life cycles in making business decisions</p>	<p>Learners are expected to have an understanding of:</p> <ul style="list-style-type: none"> • Product portfolio • Product differentiation • Brand • Packaging • Product design and innovation • Unique selling point (USP) <p>Including introduction/launch, growth, maturity, saturation and decline</p> <p>Learners need to be aware of relevant examples such as new versions, changing packaging, new markets and new uses</p> <p>Learners are expected to understand what is happening in each stage in terms of sales, revenue and costs</p> <p>Learners are expected to apply their knowledge of product life cycles to different business contexts</p>

5.5 Price	
Content	Amplification
<p>The different pricing strategies used by businesses</p> <p>The use of different pricing strategies for different businesses in different contexts and scenarios</p>	<p>Including:</p> <ul style="list-style-type: none"> • Cost plus • Competitive • Penetration • Skimming • Psychological • Loss leaders • Price discrimination <p>Learners are expected to apply their knowledge of pricing strategies to different business contexts</p>
5.6 Promotion	
Content	Amplification
<p>The promotional methods used by businesses</p> <p>The media available to businesses when advertising their products and services</p> <p>How technology has impacted on the promotional activities of businesses</p> <p>The importance for a business of selecting the most appropriate promotional method for different businesses in different contexts and scenarios</p>	<p>Including:</p> <ul style="list-style-type: none"> • Advertising • Sales promotion • Direct marketing <p>Including:</p> <ul style="list-style-type: none"> • Local and national press (newspapers, magazines and journals) • Online • Radio • Television • Cinema • Point of sale • Leaflets • Directory listings <p>Including the use of social media, blogs, search engine advertising, pop-up adverts, digital adverts and mobile advertising</p> <p>Learners are expected to apply their knowledge of promotion to different business contexts</p>

5.7 Place	
Content	Amplification
<p>The channels that are used to distribute the products to the customer</p>	<p>Learners need to understand that place refers to the marketplace, where buyers and sellers meet and exchange payment in return for goods and services</p>
<p>The different distribution channels used by businesses</p>	<p>Including:</p> <ul style="list-style-type: none"> • Manufacturer - Wholesaler - Retailer - Consumer • Manufacturer - Retailer - Consumer • Manufacturer - Consumer
<p>The role and increasing importance of e-commerce and m-commerce (online shopping)</p>	<p>Learners should understand the impact of the chosen distribution channel on the final price</p> <p>Including how these have impacted on physical retail outlets</p>
<p>How businesses use multi-channel distribution</p>	<p>Learners need to understand that multi-channel distribution offers customers a choice of ways to buy a product, such as store, own website, comparison website, telephone and catalogue, in order to maximise sales, profit and loyalty by giving customers choice and convenience</p>
<p>The importance for a business of selecting the most appropriate marketplace and distribution channel for its goods and services</p>	<p>Learners are expected to apply their knowledge of place to different business contexts</p>

6 Human resources

Learners need to understand that human resources focus on the human function within a business. It involves the recruitment, training, organisation, retention, development and motivation of employees. Human resource managers will work with other business functions to contribute and direct the business aims and objectives. Businesses will organise their human resource function in different ways, depending on their size, the goods and services they sell and the markets they operate in. Human resources decision-making will also be affected by these different contexts.

6.1 Recruitment

Content	Amplification
<p>The importance of having an effective recruitment process to employ the right people with the right job skills</p> <p>The recruitment process and how this will differ for different businesses in different contexts</p> <p>The different methods of recruitment used by different businesses in different contexts</p> <p>The advantages and disadvantages of the different methods of recruitment</p> <p>The most appropriate recruitment process and methods for different businesses in different contexts and scenarios</p>	<p>Including:</p> <ul style="list-style-type: none"> • Identify job vacancy • Prepare job description and person specification • Advertise • Shortlist • References • Interview • Selection and appointment <p>Including:</p> <ul style="list-style-type: none"> • Advertisement – internal/external, recruitment agencies and media selection • Application method – letters of application, curriculum vitae (CV) and informal contact • Interview – face to face, telephone and online • Alternative to interview – skills test, aptitude test, group tests and roleplay <p>Learners are expected to apply their knowledge of recruitment to different business contexts</p>

6.2 Training	
Content	Amplification
The benefits of effective training	Including worker morale, improved products/services, improved customer satisfaction, reduced wastage, staying ahead of the competition and reduce costs
The situations when training is needed	Including induction, retraining, new technology, new health and safety requirements and creating opportunities for employees
The different types of training: <ul style="list-style-type: none"> • On-the-job • Off-the-job 	Learners are expected to understand the different types of: On-the-job training such as demonstration, coaching, mentoring, job shadowing and job rotation Off-the-job training such as off-site, computer based, sandwich courses and use of outside trainers
The advantages and disadvantages of on-the-job and off-the-job training	
The most appropriate training for employees for different businesses in different contexts and scenarios	Learners are expected to apply their knowledge of training to different business contexts

6.3 Motivation	
Content	Amplification
<p>The benefits of a motivated workforce</p> <p>The methods which businesses use to motivate its workforce</p> <p>The most appropriate method a business can use to motivate employees in different contexts and scenarios</p>	<p>Including lower levels of absenteeism, retention of workers (low levels of staff turnover), improved relations between management and workers, improved worker performance, improved quality and improved customer service</p> <p>Including:</p> <p>Financial methods</p> <ul style="list-style-type: none"> • Wages including paying a fair wage, time rate, piece rate and overtime • Salaries • Performance related pay including bonuses and commission • Profit sharing • Financial fringe benefits such as staff discounts and company car <p>Non-financial methods</p> <ul style="list-style-type: none"> • Job enlargement • Job rotation • Job enrichment • Empowerment • Training <p>Knowledge of motivational theories is not required</p> <p>Learners are expected to apply their knowledge of motivation to different business contexts</p>

6.4 Organisational structures	
Content	Amplification
Recognise that businesses of all sizes need to organise their workforce	
The different job roles and responsibilities within a business	Including leaders/owners, managers, supervisors and operatives
The characteristics of different job roles	Including responsibilities, authority, decision-making, skills and qualities, delegation and pay and benefits
The characteristics of horizontal (flat) structures and hierarchical (tall) structures	Learners need to understand that structures can be organised by function (department), product or geography
The advantages and disadvantages of using different organisational structures	Including how businesses resolve the problems associated with hierarchical structures, such as delegation, delayering, and improving communication
Interpret organisation charts for flat and tall structures	Including the positioning of different job roles, the chain of command, span of control and communication pathways
The importance of effective communication in the workplace and the consequences of poor communication	Importance of effective communication includes increased employee involvement, improved motivation, working towards the same aims and objectives, aids decision-making and enables employee feedback Consequences of poor communication includes low employee morale, increased absenteeism, reduced employee cooperation, incomplete actions/activities and reduction in efficiency
The evolving nature of working practices	Including flexible hours, home working, job sharing and zero hours contracts
How organisational structures and working practices will differ between businesses and will depend on a number of factors such as the size of the business, its aims and the market it operates in	Learners are expected to apply their knowledge of organisational structures and working practices to different business contexts

3 ASSESSMENT

3.1 Assessment objectives and weightings

Below are the assessment objectives for this specification. Learners must:

AO1

Demonstrate knowledge and understanding of business concepts and issues

AO2

Apply knowledge and understanding of business concepts and issues to a variety of business contexts

AO3

Analyse and evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions

The table below shows the weighting of each assessment objective for each unit and for the qualification as a whole.

	AO1	AO2	AO3	Total
Unit 1	25%	22.5%	15%	62.5%
Unit 2	10%	12.5%	15%	37.5%
Total	35%	35%	30%	100%

4 TECHNICAL INFORMATION

4.1 Making entries

This is a linear qualification in which all assessments must be taken at the end of the course. Assessment opportunities will be available in the summer series each year, until the end of the life of this specification. Summer 2019 will be the first assessment opportunity.

A qualification may be taken more than once. Candidates must resit all examination units in the same series.

The entry codes appear below.

Qualification title	Entry codes	
	English-medium	Welsh-medium
WJEC GCSE Business	3510QS	3510CS

The current edition of our *Entry Procedures and Coding Information* gives up-to-date entry procedures.

4.2 Grading, awarding and reporting

GCSE qualifications are reported on an eight point scale from A*-G, where A* is the highest grade. Results not attaining the minimum standard for the award will be reported as U (unclassified).

APPENDIX

Use of quantitative skills

The list below states the range and extent of mathematical techniques appropriate to GCSE business. Drawing on the GCSE Business content learners are required to apply these skills to relevant business contexts.

Calculations in a business context, including:

- percentages and percentage changes
- averages
- revenue, costs and profit
- gross profit margin and net profit margin ratios
- cash-flow forecasts, including total costs, total revenue and net cash flow

Interpretation and use of quantitative data in business contexts to support, inform and justify business decisions, including:

- information from graphs and charts
- profitability ratios (gross profit margin and net profit margin)
- financial data, including profit and loss and cash-flow forecasts
- marketing data, including market research data
- market data, including market share, changes in costs and changes in prices