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## GCSE in Business Studies Teachers' Guide Revised 2013

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# 1. INTRODUCTION

The WJEC GCSE Business Studies specification has been modified and updated for delivery from September 2009. The first award is in June 2011. The specification can be delivered and assessed in centres throughout the UK.

The revised subject criteria for GCSE Business Studies issued by the regulators have necessitated the need for some change to the structure and content of the specification.

It is the intention of this Guide to be but one of several ways in which WJEC provides assistance to teachers delivering the specification, sitting alongside the specimen papers and CPD.

WJEC provides the following as part of its support for all GCSE specifications:

- Examiners' reports on each examinations series
- Free access to past question papers via the WJEC secure website
- Easy access to the specification and other key documents on the main website
- CPD
- Easy access to both the Subject Officer and to administrative sections

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## 2. OVERVIEW OF SPECIFICATION

The new GCSE specifications of all Awarding Bodies are based on a revised set of subject criteria drawn up by the regulatory authorities. Awarding Bodies were required to make two fundamental changes and both of these relate to the mode of assessment.

Tiered examination papers i.e. Paper 1 Foundation (C-G) and Paper 2 Higher (A\*-D) have been replaced a single paper which offers the full range of grades A\*-G.

Coursework has been replaced by controlled tasks.

### SUMMARY OF ASSESSMENT

#### Written Paper 75% (2 hours) 100 marks

One paper which will be targeted at the full range of GCSE grades.

Compulsory short-answer questions and compulsory questions based on stimulus material. Some of these questions will require extended writing and will assess the quality of written communication.

#### Controlled Assessment (25%) 60 marks

##### Task Setting

- Externally set by WJEC with centres choosing from a range of comparable tasks.

##### Task Taking

- Research - medium level of control over a 6 week period.
- Analysis and evaluation - direct control, up to 2000 words in a time period that should not exceed three hours.

##### Task Marking

- Internally marked and externally moderated.

## The Examination Paper

Generally the move to a single tier is welcomed. The most obvious benefit is that centres will no longer have to make what have sometimes proved to be quite difficult decisions regarding the entry of those candidates whose grades are likely to lie in the B-D range.

The examination paper combines features of the former Foundation and Higher papers. The early questions will be very similar to those at the start of the Foundation paper – short answer questions, some of which are in essence multiple choice questions. There will be questions based on stimulus material to test candidates' ability to apply knowledge, analyse material and evaluate evidence. Two of the questions will require extended writing and will assess the quality of written communication.

## Controlled Tasks

The regulatory authorities have been concerned about coursework for some time and as a result it is to be replaced by controlled tasks.

The rationale for controlled tasks includes the need to:

- make assessment more valid and reliable;
- avoid assessments that are too formulaic and predictable;
- support good teaching and learning;
- discourage and detect assessment malpractice;
- allow teachers to confidently authenticate students' work;
- make assessment more manageable for students and teachers.

In summary there are three main aspects or stages to controlled tasks

- Task Setting
- Task Taking
- Task Marking

For each stage, the regulatory authorities have specified a certain level of control to ensure that the conditions under which the tasks are set, carried out and marked are robust and consistent between centres and Awarding Bodies. These controls will ensure that the assessment is valid, reliable and authenticated with a high degree of confidence.

**Task Setting** - tasks will be set by WJEC.

**Task Taking** – there are two elements.

- A. Research - this has limited control where some work may be completed without direct supervision.
- B. Analysis and evaluation – this has a high level of control where the candidate must be in direct sight of the teacher at all times.

**Task Marking** – marked by teachers and moderated by WJEC.

**For details on task setting, task taking and task marking please refer to the specification.**

## **Subject Content**

There are no significant changes to the subject content. In the main the existing content has been re-packaged under a largely new set of headings namely:

- The Business Framework
- Businesses and their Customers
- Producing Goods and Services
- Human Resource Planning
- The External Environment
- Business Finance and Control

Where there are changes they are minor. They either represent an attempt to update content to deal with contemporary issues e.g. sustainability or an opportunity to remove content that is not deemed necessary or is inappropriate at GCSE e.g. the ratio analysis on a balance sheet.

In addition to the information provided in the specification there is detailed commentary on subject content on pages 7 to 28 and a scheme of work on pages 30 to 60 of this guide.

## **3. CONTENT - ADDITIONAL NOTES FOR GUIDANCE**

These notes offer more detailed guidance on the subject content.

The first column takes the subject content directly from the specification.

The second column offers more specific guidance and the third column is used if it is felt that further elaboration is needed.

The fourth column indicates content that does not need to be taught.

<b>THE BUSINESS FRAMEWORK</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
Candidates should be able to:	Candidates should be able to:	Candidates should be able to:	
Understand why and how businesses start.	<p>Explain the variety of motives for wanting to start a business including:</p> <p>profit, to provide employment/income for owner, personal satisfaction, using interests/hobbies/skills challenge, being own boss, making own decisions security, legacy - continuing family business, social enterprises e.g. businesses run by community, charity shops, etc.</p>		

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>The functions of the entrepreneur.</p>	<p>Demonstrate knowledge and understanding of the concept of enterprise in business;</p> <p>analyse and discuss the role of the entrepreneur in business start ups.</p> <p>Define the term stakeholders and provide examples of stakeholders.</p> <p>Understand the importance of stakeholders in influencing the objectives of businesses.</p>	<p>Understand that enterprise is a systematic activity and involves:</p> <ul style="list-style-type: none"> <li>• taking risks,</li> <li>• showing initiative/innovation,</li> <li>• a willingness to undertake new ventures,</li> <li>• organising production.</li> </ul> <p>Understand that the reward for success in these activities is profit.</p> <p>Business stakeholders include</p> <ul style="list-style-type: none"> <li>• Owners</li> <li>• Workers</li> <li>• Managers</li> <li>• Customers</li> <li>• Suppliers</li> <li>• Government</li> </ul> <p>Recognise that business decision making has different effects on different stakeholders and the problems a business may face in meeting the demands of all stakeholders.</p> <p>Recognise that the decisions may have contradictory effects on stakeholders.</p>	

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Demonstrate understanding, in theory and practice, of the following types of business organisations:</p> <ul style="list-style-type: none"> <li>• sole traders,</li> <li>• partnerships,</li> <li>• private and public limited companies</li> <li>• social enterprises such as co-operatives and charities.</li> </ul>	<p>Give examples of the business organisations</p> <p>Describe the main features of each.</p> <p>Demonstrate knowledge and understanding of the aims and objectives of the business organisations listed.</p> <p>Candidates should be able to demonstrate the nature of ownership of customer, worker and producer co-operatives and how profits are distributed.</p> <p>Understand how these aims and objectives have to be modified in response to changes in the business and economic environment in which they operate.</p> <p>Explain the nature of franchises and show that they can involve any type of business organisation.</p> <p>Explain the relative advantages and disadvantages of operating as a franchisee or franchisor.</p>	<p>Aims to include:</p> <ul style="list-style-type: none"> <li>• survival,</li> <li>• profit maximisation,</li> <li>• growth,</li> <li>• social/community aims,</li> <li>• ethical aims,</li> <li>• environmental aims.</li> </ul> <p>Evaluate these advantages and disadvantages and disadvantages in the decision whether or not a business should set up or join a franchise</p>	<p>There is no need for candidates to know about the legal process of incorporation or setting up social enterprises.</p>

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Make critical comparisons and informed selections of the most appropriate business structure for a firm to adopt by considering issues such as:</p> <ul style="list-style-type: none"> <li>• aims and objectives,</li> <li>• formation,</li> <li>• ownership,</li> <li>• management,</li> <li>• control,</li> <li>• liability,</li> <li>• size,</li> <li>• sources of finance,</li> <li>• distribution of profits.</li> </ul>	<p>taking into account e.g.</p> <ul style="list-style-type: none"> <li>• size of business,</li> <li>• legal considerations e.g. Deed of Partnership,</li> <li>• financial requirements.</li> </ul> <p>Explain the principle of limited and unlimited liability and understand the implications of this in making a choice on the business status.</p> <p>Discuss the advantages and disadvantages of the different business organisations.</p>		

<b>BUSINESSES AND THEIR CUSTOMERS</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
Appreciate the importance of market research (desk and field) in identifying customer needs.	Distinguish between desk (secondary) and field (primary) research.  Use suitable examples.	Candidates should be familiar with appropriate methods of market research likely to be used by businesses including: <ul style="list-style-type: none"> <li>• questionnaires,</li> <li>• telephone and other surveys,</li> <li>• questionnaires,</li> <li>• focus groups,</li> <li>• internet research,</li> <li>• newspapers,</li> <li>• government statistics,</li> <li>• etc.</li> </ul>	
Present, interpret and use market research findings in written, numerical and graphical form in order to aid decision-making.	using <u>appropriate</u> <ul style="list-style-type: none"> <li>• pie graphs,</li> <li>• bar graphs,</li> <li>• line graphs,</li> <li>• etc.</li> </ul>	Candidates may wish to construct graphs in their controlled tasks.	Candidates will not be expected to construct these graphs in the Written Examination Paper but may be required to interpret them.
Explain how and why markets are segmented.	Explain with suitable examples how markets can be segmented e.g. <ul style="list-style-type: none"> <li>• age,</li> <li>• gender,</li> <li>• income,</li> <li>• socio-economic groupings,</li> <li>• geographical area,</li> <li>• cultural / religious groupings</li> </ul> <p>Explain reasons for market segmentation.</p>	Show how businesses can use the different segments in their marketing strategies.	The detailed division of socio economic groups e.g. A, C1 etc. is not required.

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Demonstrate an understanding of the product life cycle and</p> <p>The strategies that might be used to extend the life cycle of a product.</p>	<p>Candidates should be familiar with how the demand for a product or service might change over time and the various stages of the product life cycle:</p> <ul style="list-style-type: none"> <li>• introduction/launch,</li> <li>• growth,</li> <li>• maturity,</li> <li>• saturation,</li> <li>• decline.</li> </ul> <p>See marketing mix.</p>	<p>Candidates should be able to explain what is happening in each of the stages and the effects on the business with regards to</p> <ul style="list-style-type: none"> <li>• sales</li> <li>• revenue</li> <li>• costs</li> </ul> <p>Candidates should be able to interpret at which stage a product is on in the cycle whether this information is given in a graphical or tabular form.</p>	<p>Candidates will not be required to construct a product life cycle graph in the written paper but examples may be included in the Controlled Assessment.</p>

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Demonstrate knowledge and critical understanding of the marketing mix.</p>	<p>Candidates must have knowledge of a range of terms and ideas and be able to make critical decisions about marketing strategies.</p> <p>The marketing mix to include:</p> <ul style="list-style-type: none"> <li>• product</li>   <li>• price</li>   <li>• promotion</li>   <li>• place</li> </ul>	<ul style="list-style-type: none"> <li>• range/mix</li> <li>• design innovation</li> <li>• name/branding</li> <li>• packaging</li>   <li>• cost plus</li> <li>• market orientated pricing</li> <li>• competitive pricing</li> <li>• the role of demand and supply</li> <li>• skimming</li> <li>• penetration</li> <li>• loss leaders</li> <li>• psychological pricing</li> <li>• price discrimination</li>   <li>• media advertising</li> <li>• media selection</li> <li>• range of sales promotions</li> <li>• direct marketing e.g. junk mail/spam</li>   <li>• chain/channels of distribution</li> <li>• retailing – its functions and importance to business and customers</li> <li>• retailing - locally/in town/out of town</li> <li>• the growing importance of e-commerce</li> </ul>	<p>Demand and supply diagrams are not required.</p> <p>Candidates will not need to consider types of retailers e.g. department stores, chain stores, etc.</p>

		Candidates will need to know and understand the advantages and disadvantages of the elements of the marketing mix and be able to recommend appropriate marketing methods from the marketing mix.	
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SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
Recognise marketing constraints imposed by <ul style="list-style-type: none"> <li>• consumers,</li> <li>• regulatory organisations,</li> <li>• and pressure groups.</li> </ul>	e.g. consumer resistance to goods e.g. organisations to control advertising such as ASA e.g. anti fur trade		Candidates will not need to know about the aims and organisation of specific groups or institutions.

<b>PRODUCING GOODS AND SERVICES</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
<p>Distinguish between goods and services.</p> <p>that are provided through both the private sector and the public sector.</p>	<p>Classify goods and services into</p> <ul style="list-style-type: none"> <li>• consumer goods - single use and durable,</li> <li>• producer/capital goods,</li> <li>• services personal/direct and commercial.</li> </ul> <p>Distinguish between the private and public sectors</p> <p>Apply knowledge of these sectors to select the types of goods and services which are most likely to be produced by each sector</p>		<p>Reasons for the growing importance of the service sector and decline in manufacturing production in the UK.</p>
<p>Explain the methods of production in relation to both quality and quantities produced:</p> <ul style="list-style-type: none"> <li>• job,</li> <li>• batch,</li> <li>• flow production.</li> </ul>	<p>Identify which is most appropriate in given circumstances</p> <p>Candidates should understand how specialisation and division of labour can impact on efficiency.</p>		

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Understand how waste can be minimised through the efficient use of resources:</p> <p>stock control,</p> <p>quality control,</p> <p>interrelationship of functional departments.</p>	<p>Understand the importance of effective stock control management in the production process</p> <p>Demonstrate an understanding of the importance of quality and how quality is achieved in maintaining sales, reputation etc.</p> <p>Explain the roles of the main departments in a typical business organisation i.e.</p> <ul style="list-style-type: none"> <li>• purchasing,</li> <li>• production,</li> <li>• marketing,</li> <li>• sales,</li> <li>• personnel (human resources),</li> <li>• finance/accounts departments</li> </ul> <p>Show how their roles are linked.</p>	<p>Compare the process of JIT with traditional methods of stock control.</p> <p>This will involve the use of :</p> <p>quality materials,  quality workers/training,  up to date technology,  design,  quality management,  packaging to protect finished goods  etc.</p>	<p>Not formal ideas relating to stock control such as maximum and minimum stock and re-order time.</p> <p>Knowledge of specific theories not required</p>

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
Use break-even analysis as an aid to decision making.	<p>Candidates should be able to construct and interpret a break-even chart.</p> <p>Analyse the effects on break-even chart of changes in costs and/or prices.</p>	<p>This will involve the ability to understand the nature of, calculate and interpret the following:</p> <ul style="list-style-type: none"> <li>• fixed costs,</li> <li>• total variable costs,</li> <li>• total costs,</li> <li>• total revenue.</li> </ul> <p>Pupils should be able to determine break-even output and profit/loss at various levels of output/sales.</p>	Formula to calculate break-even point
<p>Explain why businesses grow.</p> <p>How businesses grow.</p> <p>Understand why some businesses remain small.</p>	<p>increase profit, improved market share, reduced competition, security of market/supplies, spreading of risks, benefits from internal economies of scale.</p> <p>Internal growth using appropriate methods external growth through mergers and acquisitions.</p> <p>market size limitations, availability of capital, desire of the entrepreneur.</p>	<p>Candidates should understand the meaning of market share</p> <p>Knowledge and understanding of internal economies of scale i.e.</p> <ul style="list-style-type: none"> <li>• purchasing,</li> <li>• marketing,</li> <li>• technical,</li> <li>• financial,</li> <li>• managerial.</li> </ul> <p>Diversification – benefits and costs horizontal and vertical integration.</p>	Knowledge of external economies of scale not required.

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
Identify the factors affecting location of the production unit and retailing – locally, nationally and internationally.	Identify the main factors that determine location decisions for businesses and apply this knowledge to specific situations.	Understand that these factors may apply to the location of an industry but not necessarily to the siting of a specific business.	
Explain the importance of international trade to business  and identify the resulting problems, threats and opportunities that face businesses operating in the global market place.	This will include the advantages and disadvantages to businesses of trading internationally.  Also candidates will need to demonstrate knowledge and understanding of multinational companies showing why they exist and how they overcome some of the problems associated with international trade.	They will also need to consider the impact of multinationals setting up in the UK.	
Understand the importance of membership of the European Union.          Issues relating to the single European currency from the perspective of a range of stakeholders.	Demonstrate an understanding of the advantages     and disadvantages of UK membership to businesses.    Candidates recognise that a single currency has implications for price transparency and costs.	These will relate to: <ul style="list-style-type: none"> <li>• size of the market,</li> <li>• no tariffs between member countries,</li> <li>• flexible labour market,</li> <li>• financial support,</li> <li>• etc.</li> </ul> These will relate to laws relating to <ul style="list-style-type: none"> <li>• product descriptions</li> <li>• product design</li> <li>• competition policy</li> <li>• output restrictions</li> </ul>	

<b>HUMAN RESOURCE PLANNING</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
Understand the processes by which businesses recruit the right staff.	<p>Demonstrate knowledge and understanding of the recruitment process.</p> <p>This includes the following steps:</p> <ul style="list-style-type: none"> <li>• job description,</li> <li>• person specification,</li> <li>• appropriate advertising,</li> <li>• letters of application/CV,</li> <li>• shortlisting,</li> <li>• reference,</li> <li>• interview.</li> </ul>	Define each of these, give examples of what might be included in each and show the importance of each in the recruitment process.	
<p>Appreciate the purpose of induction training and re-training to cope with the changing working environment due to, for example,</p> <ul style="list-style-type: none"> <li>• new health and safety, requirements, new working practices,</li> <li>• new technology,</li> <li>• new government training schemes.</li> </ul>	Understand that training can involve both internal and external training.	<p>Candidates should be aware of the advantages and disadvantages of:</p> <ul style="list-style-type: none"> <li>• on the job training,</li> <li>• off the job training.</li> </ul>	Knowledge of specific changes in the working environment not required.

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Demonstrate knowledge and understanding of the roles, responsibilities and relationships of employers and employees,</p> <p>including the aims and actions of trade unions.</p>	<p>Candidates need to understand that legislation gives employers and employees rights and responsibilities relating to:</p> <ul style="list-style-type: none"> <li>• contracts of employment,</li> <li>• fair and unfair dismissal,</li> <li>• health and safety,</li> <li>• equal opportunities.</li> </ul> <p>demonstrate knowledge and critical understanding of the role of trade unions:</p> <ul style="list-style-type: none"> <li>• their aims e.g. securing better pay, working conditions and job security,</li> <li>• the action they may take in pursuit of their objectives,</li> <li>• collective bargaining and industrial action.</li> </ul>	<ul style="list-style-type: none"> <li>• negotiation,</li> <li>• strikes,</li> <li>• overtime ban,</li> <li>• go slow,</li> <li>• work to rule.</li> </ul>	<p>It is not necessary to be able to name and quote from specific Acts of Parliament.</p> <p>Internal and external organisation of trade unions not required.</p>
<p>Demonstrate an understanding of organisation charts, e.g.</p> <ul style="list-style-type: none"> <li>• hierarchy,</li> <li>• span of control,</li> <li>• chain of command.</li> </ul>	<p>Candidates will need to know the purpose of organisation charts.</p>	<p>e.g.</p> <ul style="list-style-type: none"> <li>• control,</li> <li>• delegation,</li> <li>• effective communication,</li> <li>• accountability,</li> <li>• career path,</li> <li>• etc.</li> </ul>	

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
Know the means and importance of effective communication and evaluate the appropriateness of different methods of communication in different situations	internal and external communication,  written and spoken,  discuss the impact of ICT developments on business communication.	e.g. costs and retraining	
Explain how management can achieve motivation through effective leadership and the appropriateness of different styles of leadership for different situations	i.e. democratic and autocratic leadership.	Consider the advantages and disadvantages of both styles.	Motivational theories, such as Maslow and Herzberg, etc, will not be examined
Distinguish between gross and net pay  and the role of money and  non-monetary incentives  in achieving motivation	Voluntary deductions, statutory deductions.  Candidates will need to explain the differences between a wage and a salary  and the different methods of making payments i.e. time rates and piece rates, bonus and commission.  e.g. fringe benefits, promotion prospects.  Benefits of having well-motivated work force.	Candidates will need to be able to interpret a pay slip and to use it to make numerical calculations.	

<b>THE EXTERNAL ENVIRONMENT</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
Activities of Competitors	Businesses must be aware of the activities of competitors and must be able to respond to these e.g. through pricing strategies and product innovation, etc.		
The changing use of ICT in business and economic activity	e.g. <ul style="list-style-type: none"> <li>• administration,</li> <li>• communication,</li> <li>• buying materials.</li> </ul>	Spreadsheets, databases, word processing and video conferencing use of e commerce	Candidates will not need to know about the transfer of payments e.g BACs, internet banking etc. as a result of ICT development.
Technology in terms of production techniques and new products.	e.g. CAD and CAM Understand the nature of these techniques and how they differ from older methods of production.	Understand the effects on business with regards to:- <ul style="list-style-type: none"> <li>• investment,</li> <li>• innovation,</li> <li>• marketing,</li> <li>• employment opportunities and threats,</li> <li>• etc.</li> </ul>	



SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>The macro-economic environment: including</p> <p>tax rates,</p> <p>rates of interest,</p> <p>exchange rates,</p> <p>employment levels and general level of economic activity.</p> <p>inflation rates</p>	<p>Candidates will need to know the general effects of changes in the macro-economic environment and in the listed tools of macro-economic policy on a variety of stakeholders and how these effects may impact on businesses.</p> <p>Describe income tax, VAT, corporation tax and how changes may affect business activity.</p> <p>Understand that businesses will have loans which are subject to interest payments and that changes in interest rates can affect them in terms of the cost of servicing those loans and that consumer saving and spending will be affected and this will impact on businesses.</p> <p>Explain what exchange rates are and show how changes can affect businesses.</p> <p>Understand that economic activity tends to rise and fall and that changes in the level of economic activity can affect businesses.</p> <p>Understand that inflation is a general rise in prices and the impact this can have on businesses costs.</p>		<p>Economic theory relating to rates of interest, inflation, etc. is not required.</p> <p>Candidates will not be expected to carry out numerical calculations regarding changes to e.g. interest or exchange rates.</p>
<p>Unforeseen events e.g. natural disasters, adverse weather conditions, disease in livestock</p>	<p>Candidates will need to know the general effects of these on a variety of stakeholders and how these effects may impact on businesses.</p>		<p>Knowledge of specific events will not be required.</p>

<b>BUSINESS FINANCE AND CONTROL</b>			
<b>SPECIFICATION</b>	<b>GUIDANCE</b>	<b>ADDITIONAL GUIDANCE</b>	<b>EXCLUDED</b>
Distinguish between the main internal and external forms of finance for business including:	<p>Internal</p> <ul style="list-style-type: none"> <li>• owners' funds,</li> <li>• reinvested profit</li> <li>• selling assets,</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>• additional partners,</li> <li>• share issues,</li> <li>• loans and overdrafts,</li> <li>• hire purchase,</li> <li>• leasing,</li> <li>• trade credit,</li> <li>• government grants (local, national and European),</li> <li>• venture capital</li> </ul>	Candidates will need to know and understand the advantages and disadvantages of each of these sources.	Specific knowledge of types of grants and conditions attached is not required.
<p>Select and justify the types of finance which are appropriate for different circumstances, e.g.</p> <ul style="list-style-type: none"> <li>• when starting up,</li> <li>• when seeking to ease cash flow problems,</li> <li>• when expanding.</li> </ul>	Candidates will need knowledge and understanding of factors businesses take into account in deciding which to choose for specific purposes.	<p>e.g.</p> <ul style="list-style-type: none"> <li>• availability of finance,</li> <li>• interest charged,</li> <li>• how repayment is made,</li> <li>• time for repayment,</li> <li>• amount of money needed,</li> <li>• capital and revenue finance,</li> <li>• long and short term,</li> <li>• effect on business ownership,</li> <li>• liability,</li> <li>• administration charges.</li> </ul>	

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
<p>Know how the business plan functions as a tool for aiding decision making and securing financial backing for business ventures.</p>	<p>List the main contents in a business plan and explain why they are included.</p>	<p>Items that might be included in Business Plan</p> <ul style="list-style-type: none"> <li>• legal details – name and address of business,</li> <li>• current owners,</li> <li>• type of ownership,</li> <li>• type of product/service,</li> <li>• current and projected financial information e.g. cash flow forecast, profit and loss account , balance sheet,</li> <li>• details of market research,</li> <li>• purpose of the loan.</li> </ul> <p>Candidates should be able to distinguish between financial and non-financial items.</p>	
<p>Interpret cash flow forecasts and explain why they are an important aid to decision making.</p>	<p>Understand the role and importance of cash to the operation of a business and to its success.</p> <p>explain the principle of cash flow and the purpose of a cash flow forecasts.</p> <p>complete and interpret simple cash flow forecasts.</p> <p>recommend and evaluate what can be done to improve an unfavourable cash flow situation.</p>	<p>e.g.</p> <ul style="list-style-type: none"> <li>• cutting costs,</li> <li>• increasing revenue,</li> <li>• re-scheduling payments and receipts of income.</li> </ul>	

SPECIFICATION	GUIDANCE	ADDITIONAL GUIDANCE	EXCLUDED
Use profit and loss accounts	<p>Define and calculate the main elements of simple profit and loss accounts.</p> <p>Use a profit and loss account to calculate profit as a percentage of turnover.</p> <p>Interpret a simple profit and loss account.</p> <p>Recommend what can be done to improve profit/reduce loss.</p>		
and balance sheets	<p>Define and calculate the main elements of a simple balance sheet</p> <p>including</p> <ul style="list-style-type: none"> <li>• fixed assets,</li> <li>• current assets,</li> <li>• current liabilities,</li> <li>• long term liabilities,</li> <li>• working capital.</li> </ul> <p>interpret a simple balance sheet.</p>		<p>Calculation of the following ratios is not required:</p> <ul style="list-style-type: none"> <li>• return on capital employed,</li> <li>• current,</li> <li>• acid test</li> </ul>
to critically appraise business performance.	<p>e.g.</p> <ul style="list-style-type: none"> <li>• current performance,</li> <li>• performance over time,</li> <li>• against other firms' performance,</li> <li>• against alternative investment opportunities,</li> <li>• against set targets,</li> <li>• and from the perspective of a range of stakeholders.</li> </ul>		

## **4. SCHEME OF WORK**

This scheme of work has been devised by Mrs Glenys Jones and edited by WJEC.

The scheme of work is based on the premise that centres will be allocated a minimum of two hours of teaching time per week. Lesson time devoted to controlled tasks, revision, tests and mock examinations will also need to be built in.

The concepts/knowledge that have to be taught are identified with columns giving further development and commentary on essential points that need to be noted

WJEC acknowledges that whilst a scheme of work is an essential teaching aid it can be presented in many different styles and formats. Indeed a scheme of work is usually the creation of the practitioner and it is devised to meet a preferred teaching style, available resources and the nature of the students following the course. It is expected that teachers/lecturers will adapt and modify the scheme of work provided or they may choose to write it and present it in a totally different way. It would also be expected that references to the activities and the resources will need to evolve over time for a scheme of work is a living document that needs constant updating in this dynamic ever-changing subject.



Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
		<p>Pupils must appreciate that a business has a variety of stakeholders and each group is influential in influencing the business.</p>	<p>Business stakeholders include</p> <ul style="list-style-type: none"> <li>• Owners</li> <li>• Workers</li> <li>• Managers</li> <li>• Customers</li> <li>• Suppliers</li> <li>• Government</li> <li>• Local residents to the business</li> </ul> <p>Make sure that pupils can distinguish between a stakeholder and a shareholder.</p> <p>Pupils should appreciate that stakeholders may have conflicting interests e.g. workers may want higher wages and better conditions, but that may affect profitability for the owners. Customers may want value for money and a better refund policy, but that may affect profits.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Demonstrate understanding, in theory and practice, of: Sole traders Partnerships Private and public limited companies Social enterprises- co-operatives and charities. <b>(4.5 weeks)</b></p> <p>Make critical comparisons and informed selections of the most appropriate business structure for a firm to adopt by considering issues such as: Aims/objectives Features Formation. <b>(1 week)</b></p>	<p>Pupils should be able to give examples of each type of business structure.</p> <p>Pupils must be able to <b>describe the main features</b> of each form of business organisational structure. By describing the features <b>it is important</b> to draw out the relative advantages and disadvantages of these business structures.</p> <p>Pupils must be able to identify aims and objectives of these business.</p>	<p>Encourage pupils to look for signs e.g. PLC, Ltd, &amp; Partners.</p> <p>Features to include:</p> <ul style="list-style-type: none"> <li>• Ownership</li> <li>• Liability</li> <li>• Legal status</li> <li>• Decision making/management</li> <li>• Size</li> <li>• Distribution of profit</li> </ul> <p>Pupils to appreciate that basically there will be a distinction between short run survival and long term profit making.</p> <p>Other aims to include: Growth (internally and externally) It is NOT necessary to go into any great depth in this unit as growth of the business is picked up again in 2.5. Social/community objectives, Ethical aims- satisfy workers, growing market and simply aims of the owners; Lesser aims may be mentioned - customer satisfaction, employee loyalty, etc.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<b>TOTAL 7 WEEKS</b>	<p>Business Aims and objectives can change over time in accordance to the business environment in which the firm operates.</p> <p>Pupils should be able to select and justify the best form of business structure by evaluating structures in terms of their features, their formation and their objectives. <b>It is relevant</b> to discuss the Deed of Partnership since the Deed gives information about the running of the business. However the legal process of company formation (Memorandum, Articles, Certificate of Incorporation) <b>is not required.</b></p>	<p>The huge growth in franchises should be explained here. It is <b>important</b> to be able to distinguish between franchisee and franchisor and to be able to give both advantages and disadvantages of both.</p> <p>This requires evaluation rather than description. The business organisation may be a PLC because it offers limited liability (and legal entity) and this means that shareholders are more confident in their investment. Or the firm chooses to operate as a franchisee because although a royalty has to be paid to the franchisor there is the benefit of a well known name and product and free training of workers.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
2.2 Businesses and their customers.	<p>Appreciate the importance of market research (desk and field) in identifying customer needs <b>(0.5 weeks)</b></p> <p>Present, interpret and use market research findings in written, numerical and graphical form in order to make decisions. <b>(1 week)</b></p> <p>Explain how and why markets are segmented. <b>(0.5 weeks)</b></p>	<p>Pupils to be able to define market research in terms of systematic gathering of information. Realise that desk is secondary research and field is primary research. Pupils can describe advantages and disadvantages of each form of research.</p> <p>Pupils <b>should be able to draw and interpret</b> the following: pie charts, bar graphs and line graphs. Pupils must be able to draw conclusions when presented with this data and to make predictions.</p> <p>Pupils should understand that the purpose of segmentation is to target certain groups of customers who have similarities. Typical segments are:</p> <ul style="list-style-type: none"> <li>• By age</li> <li>• By gender</li> <li>• By income</li> <li>• By socio-economic group</li> <li>• By residential area</li> <li>• By geographical area.</li> </ul>	<p>Pupils to distinguish between examples of both methods e.g. Field = questionnaires, sampling, surveys, feedback whilst Desk = use of statistics, newspapers, trade association info etc</p> <p><b>Important that pupils can draw and interpret these graphs for the controlled task, and interpret them in the examination.</b> Eg. The data tells me that the business is likely to be a success because there are few firms of this nature in this area.</p> <p>This will allow marketing to be targeted and to be more cost effective.</p> <p>The detailed divisions of socio economic groups is <b>not</b> required.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Demonstrate an understanding of the product life cycle and extension strategies. <b>(0.5 weeks)</b></p> <p>Demonstrate knowledge and critical understanding of the marketing mix. <b>(3.5 weeks)</b></p>	<p>Pupils should be taught that there is a typical life cycle for most products which includes birth/launch, growth, maturity, saturation and decline. Basically products show changes in demand over a period of time and without intervention losses could be made in the long run as sales diminish. Firms need to address this issue by '<b>extension strategies</b>'.</p> <p>Pupils must be aware that marketing introduces a new product/service to the market, increases sales and, where successful, stops product decline.</p>	<p>Pupils <b>must</b> be able to recognise the stages in a life cycle <b>visually</b>.</p> <p>The extension strategies refer to elements of the market mix ( Price , Place, Product, promotion and Packaging) which can be glossed over at this stage in preference for a more detailed approach <b>See below</b>.</p> <p>Candidates must have knowledge of the following terms and ideas and to be able to make critical decisions about marketing strategies in the following areas.</p> <p><b>Product:</b></p> <ul style="list-style-type: none"> <li>• Product range e.g. shampoos, car models</li> <li>• Product design /innovation e.g. mobile phones</li> <li>• Product branding e.g. name, logo, trade mark</li> <li>• Product packaging.</li> </ul> <p>Note: <b>the function of packaging is essential. This will include product protection, consumer information, marketing strategy.</b></p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
			<p><b>Price:</b> Pupils must be able to identify and explain the following pricing terms:</p> <ul style="list-style-type: none"> <li>• Cost Plus</li> <li>• Role of demand and supply</li> <li>• Competitive Pricing</li> <li>• Penetrative Pricing</li> <li>• Skimming/Creaming</li> <li>• Loss leaders.</li> </ul> <p><b>There should be no formal demand/supply analysis.</b></p> <p><b>Promotion</b> Pupils should have a good understanding of how promotion takes place e.g. use of various media in advertising, sales promotions such as vouchers and BOGOF, direct marketing in the form of junk mail and SPAM.</p> <p>In this aspect pupils should be able to justify their choice of promotion e.g. TV adverts are very expensive but reach a large number of customers. Flyers are cheap to produce by the business itself, but are not often read and retained.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
			<p><b>Place:</b> This refers to the chain/channel of distribution. It is NOT necessary for pupils to select channels of distribution for goods BUT pupils should be able to select and justify retail locations in terms of:</p> <ul style="list-style-type: none"> <li>• Local retailers</li> <li>• Town centre retailers</li> <li>• Out of town retailers.</li> </ul> <p>It is <b>NOT necessary for candidates to be able to define and describe certain types</b> of retail store such as a chain store or an independent retailer. <b>NEITHER is it required for pupils to describe the functions of retailers. What IS required is evaluation of retail sites. e.g.</b> out of town stores tend to have cheaper land costs and business rates which is appealing to the business, but on the other hand tend to be used only by customers who have access to their own transport.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Recognise marketing constraints imposed by consumers, regulatory organisations and pressure groups. <b>(In passing)</b></p> <p><b>TOTAL 6 WEEKS</b></p>	<p>Pupils must understand that marketing is subject to external control. For instance the ASA is a organisation which monitors TV advertising. Consumer resistance/pressure can force businesses to withdraw certain adverts which cause offence and pressure groups such as ASH and the anti-fur lobby can also influence marketing.</p>	<p>No <b>specific detail</b> about any organisations is required.</p>	<p>Consumer Protection issues =Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
2.3 Producing Goods and services.	Distinguish between goods and services. <b>(0.5 weeks)</b>	Pupils can classify goods and services into consumer goods, producer goods and services and be able to give examples. They must appreciate the essential difference between goods destined for the consumer market and goods/products required by a business in order to make consumer goods.	Pupils should be able to sub-classify consumer goods into single use e.g. burger and durable e.g. car.  Services should be recognised as those being personal or direct to the consumer e.g. entertainment, healthcare and those which pertain to producers – the 'commercial' services – e.g. transport, advertising, banking, insurance, warehousing.	Reference to changes in Welsh economy employment = Curriculum Cymreig
		Pupils must be able to appreciate and explain the changing structure of UK industry/business i.e. the growing importance of the service sector and the decline of manufacturing industry in the UK.	Pupils should be able to <b>explain</b> the growth of the service sector in terms of higher incomes, more leisure time, growth of the welfare state and growth of world trade. In terms of the decline of production of manufacturing goods , pupils should refer to loss of competitiveness, depletion of raw materials, automation, etc. <b>It is NOT necessary</b> for pupils to refer specifically to primary, secondary or tertiary industry.	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Distinguish between goods and services that are provided through both the private sector and the public sector.</p> <p>Explain the methods of production in relation to both quality and quantities produced: Job Batch and flow production <b>(1 week)</b></p> <p>Understand how waste can be minimised through the efficient use of resources: <b>(0.5 weeks)</b></p>	<p>Pupils must be able to distinguish between the PRIVATE and PUBLIC SECTOR of industry and to be able to select goods/services most likely to be provided by each sector.</p> <p>For each of these production methods, pupils need to be able to explain what is meant and be able to give a relevant example.</p> <p>Pupils should be able to give some advantages and disadvantages of each form of production.</p> <p>Pupils should be able to select and justify appropriate production methods for different circumstances.</p> <p>Pupils should appreciate that wastage in the production process affects profitability and reputation of the firm.</p>	<p>Differences in terms of:</p> <ul style="list-style-type: none"> <li>• Ownership</li> <li>• Size</li> <li>• Motivation</li> </ul> <p>Issues surrounding Privatisation are NOT required</p> <p>e.g. Job is made to individual orders such as false teeth.</p> <p>e.g. Job production means that small quantities are produced but the quality is usually excellent because the products are often made by skilled workers.</p> <p>The issue of sustainable use of resources <b>may</b> be referred to in this context.</p>	<p>Public v Private Sector = Citizenship.</p> <p>Production methods = WRE.</p> <p>Use of resources = sustainability.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Stock Control</p> <p>Quality Control</p> <p>Interrelationship of functional departments.</p> <p><b>(1 week)</b></p>	<p>Pupils are able to explain the process of JIT and evaluate this method of stock control against other more traditional systems</p> <p>Pupils should be able to demonstrate an understanding of why quality control is important and how it can be achieved in maintaining sales and business reputation.</p> <p>Candidates must be able to explain the functions of the MAIN departments in a typical business organisation. These will include:</p> <ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Production</li> <li>• Marketing</li> <li>• Sales</li> <li>• Personnel (HR)</li> <li>• Finance /Accounts.</li> </ul>	<p>By 'traditional' is meant the process of buying in plenty of stock, storing it in preparation for production or re-sale.</p> <p>Pupils must be able to refer to the following in terms of why quality control is important:</p> <ul style="list-style-type: none"> <li>• Loss of reputation</li> <li>• Refunds cost money</li> <li>• Time is lost in the producing and replacing of poor quality goods</li> <li>• Morale of the workers affected by poor quality.</li> </ul> <p>Ways to improve quality are:</p> <ul style="list-style-type: none"> <li>• Quality materials</li> <li>• Skilled workers used</li> <li>• Continuous training of workers</li> <li>• State of the art technology.</li> </ul> <p>It is useful to describe the work of the people allocated to these departments as a means of explaining the functions of these departments.</p> <p>Pupils to be made aware that some businesses combine these departments e.g. Sales AND marketing. Production may encompass Purchasing.</p>	<p>Functions of Departments= WRE</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Use break-even analysis as an aid to decision making.</p> <p><b>(1 week)</b></p>	<p>Pupils must appreciate that these departments do not work in isolation – there are inter-departmental linkages.</p> <p>Pupils should be able to <b>construct</b> and interpret a break even graph.</p> <p>Analyse the effects on break-even output of changes in costs and/or prices.</p>	<p>E.g. the Sales department will liaise with production to fulfil orders obtained.</p> <p>E.g. The Finance department will liaise with the Production department in order to calculate the wages/salaries of the shop floor workers.</p> <p>This will involve an understanding and ability to calculate the following:</p> <ul style="list-style-type: none"> <li>• Fixed Costs</li> <li>• Total Variable costs</li> <li>• Total Costs</li> <li>• Total Revenue</li> </ul> <p>Pupils should be able to determine the break-even output and the profit/loss at various levels of output/sales.</p> <p>Increases in prices cause the total revenue line to shift upward parallel to the original. Increases in fixed costs cause the total cost to shift up parallel to the original. Increases in variable costs cause the total cost line to become steeper.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Explain why businesses grow. <b>(0.5 week)</b></p> <p>How businesses grow. <b>(0.5 weeks)</b></p> <p>Understand why some businesses remain small. <b>(0.5 week)</b></p>	<p>Pupils appreciate that over time there is a tendency for businesses to grow in order to:</p> <ul style="list-style-type: none"> <li>• Increase profits</li> <li>• Improve market share</li> <li>• Reduce competition</li> <li>• Benefit from economies of scale</li> <li>• Secure their supplies/market</li> <li>• Spread their risks.</li> </ul> <p>Pupils should be able to distinguish between internal growth (through the use of increasing sales which generates finance from within) and external growth (through the use of outside finance or acquisitions and mergers).</p> <p>Eg Limitations due to market size due to need to give personal service. Eg Limitations due to availability of capital-with particular importance to sole traders and partnerships. Eg Desire of the entrepreneur - wishes to maintain personal control. Eg Concern by the owners of possible diseconomies of scale.</p>	<p>The following internal economies of scale <b>MUST</b> be taught:</p> <ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Marketing</li> <li>• Technical</li> <li>• Financial</li> <li>• Managerial.</li> </ul> <p><b>A knowledge of EXTERNAL economies is NOT required,</b></p> <p>Takeovers and mergers usually allow the benefit of economies of scale to be achieved.</p> <p>Pupils need to understand that some mergers/acquisitions allow:</p> <ul style="list-style-type: none"> <li>• Horizontal integration</li> <li>• Vertical Integration</li> <li>• Diversification.</li> </ul>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Identify the factors influencing location of the production unit and retailing – locally, nationally and internationally <b>(0.5 week)</b></p>	<p>Pupils should be able to identify the main factors that determine location decisions for firms and to apply this knowledge to specific situations.</p>	<p>At a local level business organisations may refer to factors influencing 'site' such as:</p> <ul style="list-style-type: none"> <li>• passing trade</li> <li>• business rates</li> <li>• access for deliveries.</li> </ul> <p>At a national level business organisations may refer to factors such as:</p> <ul style="list-style-type: none"> <li>• availability of workers</li> <li>• financial incentives</li> <li>• transport and communications.</li> </ul> <p>At an international level business organisations may refer to factors such as:</p> <ul style="list-style-type: none"> <li>• Exchange rates</li> <li>• Size of internal markets</li> <li>• Ability to exploit resources</li> <li>• Taxation policy</li> <li>• Labour markets</li> </ul>	<p>Reference to Welsh factors = Curriculum Cymreig Global trade = Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Explain the importance of international trade to business and identify resulting problems, threats and opportunities that face businesses operating in global markets.</p> <p><b>(0.5 weeks)</b></p>	<p>Pupils should be able to explain the relative advantages and disadvantages of trading abroad.</p> <p>Also pupils will need to be able to demonstrate knowledge and understanding of multi-nationals knowing why they exist and how they overcome some of the problems associated with international trade.</p> <p>Pupils will need to have an understanding of the impact of multi-nationals setting up in the UK.</p>	<p>Advantages will include: larger markets, the opportunity to exploit economies of scale in production and the ability to gain a global reputation. Disadvantages will include the extra transport/packaging/marketing costs, language barriers and sudden changes in exchange rates.</p> <p>Pupils should be able to define a multi-national accurately and explain that they exist because of factors such as:</p> <ul style="list-style-type: none"> <li>• Large markets</li> <li>• Large untapped resources</li> <li>• Lower exchange rate</li> <li>• Taxation policy</li> <li>• Labour markets</li> </ul> <p>Evaluation is essential in this context. E.g. since the multi-national is set up in the UK there will be fewer imports and so the balance of payments will improve. However, since the profits are largely repatriated the balance of payments will be negatively affected in the long run e.g. new jobs will be created which will be less of a drain on the government's budget. However, the jobs tend to be low paid and unskilled.</p>	<p>Multi-nationals = Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Understand the importance of membership of the European Union. <b>0.5 weeks</b></p> <p>Issues relating to the single European currency from the perspective of a range of stakeholders. <b>(included in above)</b></p> <p><b>TOTAL 7 weeks</b></p>	<p>Pupils are expected to have an understanding of the advantages and disadvantages of <b>membership to businesses.</b></p> <p>Candidates recognise that the adoption of the euro has implications for consumers, businesses and the government.</p>	<p>Potential size of the EU market could gain sales but means more competition too. No tariffs between member countries could gain customers, but could mean that customers are lost. Flexible labour market means that businesses may get cheap workers from non UK, but there will be language difficulties, etc.</p> <p>Price transparency Cost implications</p>	<p>EU membership = Citizenship.</p> <p>EU membership = Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
2.4 Human resource Planning	<p>Understand the processes by which businesses recruit the right staff. <b>(1 week)</b></p> <p>Appreciate the purpose of induction training and re-training to cope with the changing working environment due to, for example, new health and safety requirements, new working practices, new technology and new government training schemes. <b>(1 week)</b></p> <p>Demonstrate knowledge and understanding of the roles, responsibilities and relationships of employers and employees. <b>(1 week)</b></p>	<p>Pupils should demonstrate knowledge and understanding of the recruitment process.</p> <p>Be able to distinguish between internal (on the job) and external training ( off the job).</p> <p>Candidates need to understand that legislation gives employers and employees rights and responsibilities relating to:- contracts of employment fair and unfair dismissal health and safety equal opportunities.</p>	<p>The following steps should be understood ( <b>but not necessarily in this order</b> )</p> <ul style="list-style-type: none"> <li>• job description</li> <li>• person specification</li> <li>• appropriate advertising</li> <li>• letters of application/CV</li> <li>• short listing</li> <li>• reference</li> <li>• interview.</li> </ul> <p>Candidates must be able to see when and why training is required e.g. to maintain competitiveness, when new machinery is introduced into the firm, when induction is needed. It is important that pupils can evaluate the strengths and weaknesses of both internal and external training.</p> <p>Although the names of the Acts are NOT required, pupils must have an understanding of <b>why these laws are needed</b> e.g,:</p> <ul style="list-style-type: none"> <li>• Sex Discrimination</li> <li>• Disability Discrimination</li> <li>• Health &amp; Safety At Work</li> <li>• etc.</li> </ul>	<p>All this Unit = WRE.</p> <p>In addition employment rights = Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Including the aims and actions of trade unions. <b>(0.5 weeks)</b></p> <p>Demonstrate an understanding of organisation charts, <b>(0.5 weeks)</b></p> <p>e.g.</p> <ul style="list-style-type: none"> <li>• hierarchy,</li> <li>• span of control and</li> <li>• chain of command</li> </ul>	<p>The role and function of trade unions needs to be understood – representatives of employees who negotiate on behalf of their members – the collective bargaining aspect.</p> <p>Pupils need to understand the purpose of organisational charts.</p> <ul style="list-style-type: none"> <li>• the 'pecking order' in large businesses</li> <li>• the number of people one is directly in charge</li> <li>• vertical decision making.</li> </ul>	<p>Functions such as:</p> <ul style="list-style-type: none"> <li>• Pay</li> <li>• Hours</li> <li>• Redundancy/job security</li> <li>• Working Conditions</li> <li>• Legal representation.</li> </ul> <p>The internal and external organisation of trade unions is <b>NOT required</b></p> <p>Purposes to include</p> <ul style="list-style-type: none"> <li>• control of the business</li> <li>• delegation of tasks and responsibilities</li> <li>• effective communication</li> <li>• accountability</li> <li>• career path.</li> </ul>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>know the means and importance of effective communication and evaluate the appropriateness of different methods of communication in different situations. <b>(1 week)</b></p> <p>Explain how management can achieve motivation through effective leadership and the appropriateness of different styles of leadership for different situations. <b>(0.5 weeks)</b></p> <p>distinguish between gross and net pay.</p>	<p>Internal and external communication.</p> <p>discuss the impact of ICT developments on business communication.</p> <p>Autocratic and democratic leadership.</p> <p>Voluntary and statutory deductions.</p>	<p>Various form of both internal and external communication should be discussed using the following as possible criteria for selection: Cost, speed, reliability, hard copy. Pupils should have knowledge of how ICT developments have changed business communication over time. Reference should be made to:</p> <ul style="list-style-type: none"> <li>• w.p</li> <li>• e-mail</li> <li>• mobile phone</li> <li>• video conferencing</li> <li>• web camera</li> </ul> <p>Consider the advantages and disadvantages of both styles e.g. autocratic leadership means quick decisions and continuity of command but is often de-motivating and means that other ideas are missed. Democratic leaders are more motivational and there are more ideas available, but decisions take longer to reach Motivational Theories are NOT required.</p> <p>Statutory – an element of ‘have to’, ‘compulsory’, ‘enforced by government’. Voluntary – at the discretion of the worker.</p>	<p>In addition, leadership styles = Citizenship.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>and the role of money and</p> <p>non-monetary incentives in achieving motivation <b>(1.5 weeks)</b></p> <p><b><u>TOTAL 7 WEEKS</u></b></p>	<p>Candidates will need to explain the differences between a wage and a salary, for example, in terms of overtime, type of employment and frequency of payments.</p> <p>Also candidates should know the different methods of making payments i.e.</p> <ul style="list-style-type: none"> <li>• time rates and piece rates</li> <li>• bonus and commission</li> </ul> <p>e.g.</p> <ul style="list-style-type: none"> <li>• fringe benefits</li> <li>• promotion prospects,</li> </ul> <p>Benefits of having a well-motivated work force.</p>	<p>Candidates will need to be able to interpret a pay slip and to use it to make numerical calculations.</p> <p>Candidates should be able to appreciate that piece rates are only payable when it is possible to measure productivity and that piece rates can cause workers to increase their rate of work sometimes at the expense of quality.</p> <p>Candidates should know that non - monetary incentives are often linked to motivation of the work force and that a well motivated work force will:</p> <ul style="list-style-type: none"> <li>• Increase productivity and hence profits</li> <li>• Will create a low staff turnover which will reduce continual recruitment costs.</li> </ul>	<p>In addition, personal finance = Citizenship</p>
<p>2.5 The External Environment</p>	<p>the activities of competitors, <b>(in passing)</b></p>	<p>Businesses must be aware of the activities of competitors and must be able to respond to these e.g. pricing strategies product innovation.</p>	<p>Price wars may be used as an example and also promotional offers.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>the changing use of ICT in business and economic activity, <b>(0.5 weeks)</b></p> <p>technology in terms of production techniques and new products, <b>(0.5 weeks)</b></p> <p>environmental factors (including sustainability), <b>(1 week)</b></p>	<p>in e.g. administration communication</p> <p>CAD and CAM</p> <p>Understand the effects on business with regards to:-</p> <ul style="list-style-type: none"> <li>• investment</li> <li>• innovation</li> <li>• marketing</li> <li>• employment opportunities and threats</li> </ul> <p>etc</p> <p>Demonstrate knowledge and understanding of environmental issues.</p>	<p>Pupils should be aware of how w.p, spreadsheets, data bases and video conferencing has changed the workplace especially in admin and communication. Reference should be made to: efficiency, time, skills required.</p> <p>Pupils should be able to evaluate the affect of CAD/CAM to the business and to the worker. E.g. it creates specialist jobs in the computer industry, but fewer factory workers are needed. The introduction of CAD/CAM is very costly to the business, but will increase productivity and therefore profits per unit made.</p> <p>Pupils should have some understanding that production of goods and services has an impact on the available world resources and that production without regulation is increasing environmental problems such as pollution and road congestion.</p>	<p>ICT in the workplace = WRE</p> <p>ICT in the workplace = WRE</p> <p>Environmental problems associated with production = sustainability</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>cultural and ethical issues, <b>(included with above)</b></p>	<p>Demonstrate knowledge and understanding of how business and consumers are responding to pressure for greater environmental responsibility</p> <p>Explain why some businesses operate ethically.</p>	<p>Pupils should be aware that there are pressure groups which raise attention to these environmental issues and that business organisations are responding to these issues</p> <ul style="list-style-type: none"> <li>• bio-degradable packaging</li> <li>• “plant a tree” schemes</li> <li>• recycling schemes</li> <li>• marketing opportunities</li> <li>• fair trade</li> </ul> <p>Reference to be made to :</p> <ul style="list-style-type: none"> <li>• Owner’s wishes</li> <li>• Employee motivation</li> <li>• Marketing campaign</li> </ul>	<p>Environmental problems associated with production = sustainability.</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>government legislation: including employment law; environmental law; health and safety law; consumer law; competition law and copyright law.</p> <p><b>(1.5 week)</b></p>	<p>Demonstrate a broad understanding of the constraints and responsibilities that such legislation puts on business.</p>	<p>Although specific Acts are not required, pupils need to be aware that there is legislation to protect: employees against gender, age, race and disability discrimination. Also that employees have a legal right to a healthy and safe working environment.</p> <p>Environment - reference to the need for planning permission and regulations for pollution.</p> <p>Consumers - reference to the need for accurate and honest marketing and protection against goods which may be potentially harmful.</p> <p>Competition - the need for the government to regulate the growth of big businesses which may compromise quality and price in order to gain large profits.</p> <p>Copyright Law - the need for artistic and manufacturing copyright to protect individuals and business who may suffer loss of profit without protection.</p>	<p>Employment legislation = WRE.</p> <p>Reference to environmental legislation = sustainability.</p> <p>Reference to consumer legislation = Citizenship.</p>



Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>employment levels,</p> <p>inflation rates</p>	<p>unemployment will affect income and therefore sales.</p> <p>affect on production costs.</p>	<p>There is no need for pupils to analyse the factors which may cause exchange rates to change BUT it is important to recognise how a change then affects a business e.g. the pound gets stronger causes our exports to be more expensive and our imports cheaper. This may cause more imports to be bought and less exports. This may then affect sales, profitability and employment in the export industry negatively.</p> <p>Pupils should be aware that employment is the largest source of income for the vast majority and loss of a job will affect family spending.</p> <p>Inflation can increase production costs such as energy and raw materials. In turn this will cause further increases in retail prices.</p>	<p>Reference to export/import market = Citizenship</p>

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>and general level of economic activity.</p> <p>unforeseen events e.g. natural disasters, adverse weather conditions, disease in livestock.</p> <p><b>TOTAL 7 WEEKS</b></p>	<p>understand that economic activity tends to rise and fall and that changes in the level of economic activity can affect businesses.</p> <p>Pupils should realise that the world of business is affected by unforeseen events.</p>	<p>Pupils need to be aware that the economy moves through good times and bad times- recessions and recoveries. As recession bites so jobs are lost and this will cause even more unemployment as disposable incomes fall.</p> <p>Use of current examples to illustrate positive and negative impact of changes on business.</p>	
2:6 Business Finance and Control	Types of finance available for the business. <b>(1 week)</b>	<p>Pupils can distinguish between internal and external sources of finance.</p> <p>Pupils can describe the use of own funds, additional partners, using past profits, sale of unused assets, share issues for PLCs, bank loans and overdrafts, HP and leasing, Trade credit, use of Venture capital and sources of grants eg EU, Council.</p>	<p>Emphasise that any form of <b>borrowing is an outside source and has a cost</b> - interest.</p> <p>Mention growing importance of Venture capital. Pupils do not need to have specific detail of grants but know that they are available e.g. Prince's Trust.</p>	Loans and overdrafts = Citizenship

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Selecting and justifying appropriate sources of finance for the business- such as finance to start up, finance for new machinery, finance to ease cash flow problems. Finance for expansion plans. <b>(1 week).</b></p>	<p>Pupils can select and justify by reference to the following:</p> <ul style="list-style-type: none"> <li>• Availability of the finance</li> <li>• Cost of the finance (interest +administration charge)</li> <li>• Amount required</li> <li>• Capital v Revenue finance This is really the purpose of finance e.g. lorry v stock v cash crisis</li> <li>• Long v Short term finance Distinction is 12 months</li> <li>• Repayment schedules Monthly/weekly</li> <li>• Effect on business ownership e.g. selling shares in PLC has effect on ownership and distribution of profits. <b>Gearing is NOT necessary</b></li> <li>• Liability Is the source of finance tied up with liability constraints?</li> </ul>	<p>Reference can be made to 'credit crunches'.</p>	

Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	<p>Know how a business plan functions as a tool for decision making and securing financial backing. <b>(0.5 week)</b></p> <p>Interpret cash flow forecasts and explain how they aid decision making. <b>(1.5 week)</b></p> <p>Use Profit and Loss Accounts.</p>	<p>Pupils must know the MAIN contents of a Business Plan and that it allows a would be backer to assess the viability of the business.</p> <p>Pupils can define a cash flow forecast and can explain that its purpose is to identify cash rich and cash poor months so that decisions can be made in advance about what the business should do.</p> <p>Pupils must be able to complete a pre-prepared cash flow forecast and interpret and evaluate its significance to the business.</p> <p>Pupils should be able define the basic contents of a profit and loss account and to complete a simple profit and Loss Account based on information given to them.</p>	<p>Usually requested for business start up finance and for expansion thereafter</p> <p><b>Contents likely to include:</b></p> <ul style="list-style-type: none"> <li>• Aims</li> <li>• Finance</li> <li>• Market Research</li> <li>• Location and Premises</li> <li>• Marketing</li> <li>• Organisation and Personnel</li> <li>• Cash flow forecast.</li> </ul> <p><b>Evaluation</b> of possible decisions based on information from the cash flow is essential eg 'future months show the possible need for an overdraft' eg 'the business will need to reduce its costs but there is downside to this...' eg 'the business should increase the price of the product..but sales may fall'.</p> <p><b>Contents to include:</b> sales revenue, cost of sales, gross profit, operating expenses and net profit. Explain that sales revenue is sometimes referred to as 'turnover'.</p>	



Module	Concepts/Knowledge	Development	Essential Points to be noted	Cross Curricular
	Use of Profit and Loss Accounts and Balance Sheets to critically appraise business performance. <b>(1 week)</b>  <b>TOTAL 8 WEEKS</b>	Pupils should be aware that P & L Accounts and Balance Sheets provide a means of measuring performance overtime, between firms and against targets.	Comparison of GP and NP% between similar firms and growth in these ratios overtime for one firm. Firms set targets for GP and NP% and monitor outcomes against targets. Net profit is compared to returns elsewhere e.g. savings accounts.	

## 5. KEY EXAMINATION COMMAND WORDS

These are the words which are used in examination questions to indicate the type of response required from candidates. They are telling the candidates what they must do in order to successfully answer an examination question. These command words are linked to the assessment objectives of the specification.

Listed below are the main types of command words that will often be used and what they mean. Others may be used but these will be common terms such as "Give ...." Or "What ...." etc.

The command words below are generally testing assessment objective **AO1 knowledge and understanding**.

**Define:** give a brief statement which explains the meaning e.g. 'Define Gross Profit'.

**Describe:** provide a detailed account e.g. 'Describe **three** stages in the recruitment and selection process'.

**Give reasons for:** explain how or why something is the way it is e.g. 'Give reasons for a business adopting Just In Time'.

**Identify:** recall facts or reasons e.g. 'From the data identify two variable costs'.

**List:** A group of relevant items. This would normally be in note form without giving a description or explanation e.g. 'List three ways in which trade unions can help their members'.

**Name:** an alternative to **State**.

**Outline:** provide a brief description concentrating on the main areas of a topic e.g. 'Outline **two** ways in which Harry may cut his costs'.

**State:** give brief facts or examples e.g. 'State three ways in which trade unions can their members'.

**Suggest:** an alternative to **State**.

Below are words aimed at testing A02, **application**.

**Apply:** involves using knowledge to give an example of an idea or to use data to support or reject an idea e.g. 'Apply your knowledge of business to decide whether this would be a good place to set up the factory'.

**Calculate:** mathematical calculation usually from a formula: e.g. 'Calculate Janine's expected turnover'.

**Give an example:** is very much like **apply** e.g. 'Give one example of a type of business found in the service sector'.

The command words listed below are testing assessment objectives **AO3, analysis** and **evaluation**. This means that candidates are expected to explain and discuss issues, qualify what they write and develop both sides of an issue. Evaluation should form an important part of an answer with the candidate, where possible, bringing it in to every point made in the answer.

**Advise:** recommend a course of action based on the information available e.g. 'Advise Janet on whether she should take on partners rather than operating as a sole trader'

**Analyse:** break down into key parts e.g. 'Analyse the profit and loss account to show whether or not this business is likely to be a success.' Sometimes calculations such as percentages may be needed to make the comparisons more relevant.

**Assess:** weigh the arguments for and against e.g. 'Assess the strengths and weaknesses of Fiona's leadership style'.

**Compare:** select the similarities and differences between e.g. 'Compare autocratic and democratic leadership styles as means of motivating workers'.

**Consider:** involves explaining the advantages and disadvantages of a course of action or event before drawing conclusions e.g. 'Consider the effect of the closure of the factory on the local community'.

**Contrast:** Show how some things are similar and some are different e.g. "Contrast public and private limited companies as types of business organisations"

**Discuss:** put arguments for and against and reach a conclusion e.g. Discuss whether or not your cost cutting suggestions are likely to raise her net percentage profit'.

**Distinguish:** give the differences between e.g. 'Distinguish between field and desk research'.

**Explain:** give reasons for something happening e.g. 'Explain why a business draws up a business plan'.

**Evaluate:** make points for and against and reach a conclusion e.g. 'Evaluate Ron and Mandy's style of leadership'.

**Select:** make a choice between alternatives e.g. 'Select four people working in the primary sector'.

**To what extent:** explain one side of an argument and then qualify the points made or develop alternative arguments e.g. 'To what extent would it be a bad idea for a small shop to set up close to that of a large national retailer?'.

**What does the data / information suggest?:** involves reading a graph or table of figures to show what they mean perhaps to make judgements. e.g. 'What does the information show about the likely success of the business?' Sometimes calculations, such as percentages, may be needed to support the conclusions.

## 6. READING LIST AND WEB SITES

### READING LIST

This reading and resource list is not exhaustive and only contains a representative selection of what is available. New resources are becoming available all the time, and in such a fast changing subject new editions of existing books are constantly being published.

The following list is an indication of books and other resources which teachers and students may find useful in teaching and studying a course based on this specification. It is not intended to be a list of prescribed texts, nor is it intended to be an exhaustive list of all available resources.

#### Textbooks

GCSE Business Studies - 2nd Edition	Anderton	(Causeway Press) 9781873929841
Business Studies Now for GCSE - 2nd Edition	Borrington and Stimpson	(Hodder Education) 9780719572661
GCSE Business Studies	Butler and Hardy	(Oxford University Press) 9780198328353
Essential Business Studies for You	Dransfield	(Nelson Thornes) 9780748754953
Business Studies for GCSE – 4th Edition	Huggett	(Collins Education) 9780007115136
GCSE A-Z Business Studies Handbook	Jenkins	(Hodder Arnold) 9780340850428
GCSE Business Studies	Kerr	(Hodder and Stoughton) 9780340858431
The Complete A-Z Business Studies Handbook	Lines et al	(Hodder Arnold) 9780340872635
Business Studies for You	Needham and Dransfield	(Nelson Thornes) 9780748763931
Comprehensive Business Studies	Whitcomb	(Longman) 9780582337756
AQA GCSE Business Studies 3 Edition	Alain Anderton	(Causeway) 9781405864503



OCR Dynamic Learning Network Edition CD-ROM		(Hodder Education)
Edexcel Dynamic Learning Network Edition CD-ROM		(Hodder Education)
AQA Dynamic Learning Network Edition CD-ROM		(Hodder Education)
IGCSE Business Studies CD-ROM	Borrington & Stimpson	(Hodder Education)

## Revision Guides

Business Studies Complete Revision & Practice		(CGP) 9781841463827
Business Studies Revision Guides		(CGP) 9781841463094
GCSE Success Business Studies Revision Guide		(Letts) 9781843156529
Revise GCSE Business Studies		(Letts) 9781843155034
GCSE Business Studies, Flash Revise Cards	Andrew Gillespie	(Philip Allan)
GCSE Business Studies Topic Cue Cards	Andrew Gillespie	(Philip Allan)
GCSE Business Studies Revision Guides	Denby	(Philip Allan)
IGCSE Study Guide for Business Studies	Borrington & Stimpson	(Hodder Education) 9780719579011
Essentials GCSE Business Studies Revision Guide		(Letts) 9781906415778
AQA GCSE Business Studies Revision Guide	Denby	(Hodder Education) 9781844894369
OCR GCSE Business Studies Revision Guide	Denby	(Hodder Education) 9781844894383
GCSE Business Studies Flash Revise Pocketbook	Gillespie	(Hodder Education) 9781444101836
GCSE Business Studies Topic CueCards	Gillespie	(Hodder Education) 9781844893904

## Websites

Some useful website addresses are listed below. These addresses are current at the time of writing. However, it must be recognised that new sites are being launched on the Internet on a regular basis and that older sites may change address or disappear.

Advertising Association	<a href="http://www.adassoc.org.uk">www.adassoc.org.uk</a>
Bank of England	<a href="http://www.bankofengland.co.uk">www.bankofengland.co.uk</a>
BBC	<a href="http://www.bbc.co.uk">www.bbc.co.uk</a>
BBC Bitesize Revision	<a href="http://www.bbc.co.uk/schools/gcsebitesize/business">www.bbc.co.uk/schools/gcsebitesize/business</a>
BBC Dragons Den	<a href="http://www.bbc.co.uk/dragonsden/">www.bbc.co.uk/dragonsden/</a>
BBC -SOS Teacher	<a href="http://www.bbc.co.uk/schools/communities/sosteacher">www.bbc.co.uk/schools/communities/sosteacher</a>
BBC Business	<a href="http://news.bbc.co.uk/1/hi/business">news.bbc.co.uk/1/hi/business</a>
Biz/ed	<a href="http://www.bized.co.uk">www.bized.co.uk</a>
bizhelp.24	<a href="http://www.bizhelp24.com">www.bizhelp24.com</a>
British Market Research Bureau	<a href="http://www.bmrb.co.uk">www.bmrb.co.uk</a>
Business in the Community	<a href="http://www.bitc.org.uk">www.bitc.org.uk</a>
Business Studies Online	<a href="http://www.businessstudiesonline.co.uk/">www.businessstudiesonline.co.uk/</a>
Competition Commission	<a href="http://www.competition-commission.org.uk">www.competition-commission.org.uk</a>
Daydream Educational	<a href="http://www.daydreameducation.co.uk/">http://www.daydreameducation.co.uk/</a>
Federation of Small Businesses	<a href="http://www.fsb.org.uk">www.fsb.org.uk</a>
Investors in People	<a href="http://www.iipuk.co.uk">www.iipuk.co.uk</a>
Low Pay Commission	<a href="http://www.lowpay.gov.uk">www.lowpay.gov.uk</a>
Money and Morals	<a href="http://www.moneyandmorals.org">www.moneyandmorals.org</a>
Office of Fair Trading	<a href="http://www.offt.gov.uk">www.offt.gov.uk</a>
Office of National Statistics	<a href="http://www.statistics.gov.uk">www.statistics.gov.uk</a>
Teacher Resource Exchange	<a href="http://tre.ngfl.gov.uk">tre.ngfl.gov.uk</a>
Teachers TV	<a href="http://www.teachers.tv/businessstudies">www.teachers.tv/businessstudies</a>
The EBEA	<a href="http://www.ebea.org.uk">www.ebea.org.uk</a>
TES Resources	<a href="http://www.tes.co.uk/section.aspx?navcode=387">www.tes.co.uk/section.aspx?navcode=387</a>
The Times 100 Case Studies	<a href="http://businesscasestudies.co.uk">http://businesscasestudies.co.uk</a>
tutor 2 u	<a href="http://www.tutor2u.net/">http://www.tutor2u.net/</a>
Welsh Assembly Government	<a href="http://new.wales.gov.uk">new.wales.gov.uk</a>
Western Mail	<a href="http://www.walesonline.co.uk/">www.walesonline.co.uk/</a>
Young Enterprise	<a href="http://www.young-enterprise.org.uk">www.young-enterprise.org.uk</a>

Most local, regional and national newspapers and television companies have websites with business and education areas. Public company websites including those of the banks are also useful sources of information although much of this is hidden amongst pages marketing their products. The web tags directing towards Investor or Shareholder information will be of value.