



ASSESSMENT and
QUALIFICATIONS
ALLIANCE

General Certificate of Education

Business Studies

Special Features

- This specification has a flexible assessment pattern including optional coursework in the second half of the A Level course.
- It continues from the style of the previous AQA/AEB A Level syllabus.

Material accompanying this Specification

Specimen Units and Mark Schemes
Teachers' Guide

Further copies of this specification booklet are available from:

Publications Department, Stag Hill House, Guildford, Surrey, GU2 5XJ.

Or

Aldon House, 39, Heald Grove, Rusholme, Manchester, M14 4PB

© Assessment and Qualifications Alliance 1999

COPYRIGHT

AQA retains the copyright on all its publications, including the specifications. However, the registered centres for AQA are permitted to copy material from this specification booklet for their own internal use.

Set and published by the Assessment and Qualifications Alliance.

Printed in Great Britain by The Nuffield Press Ltd, 21 Nuffield Way, Ashville Trading Estate, Abingdon, Oxon OX14 1RL.

Assessment and Qualifications Alliance is an alliance of AEB/SEG, City & Guilds and NEAB and is a company limited by guarantee. Registered in England 3644723. Registered Charity 1073334
Registered address Addleshaw Booth & Co., Sovereign House, PO Box 8, Sovereign Street, Leeds LS1 1HQ.
Kathleen Tattersall, Director General.

Contents

Background Information

- | | | |
|---|---|---|
| 1 | New Advanced Subsidiary and Advanced Level Specifications for 2001/2002 | 5 |
| 2 | Specification at a Glance | 6 |
| 3 | Availability of Assessment Units and Entry Details | 7 |

Scheme of Assessment

- | | | |
|---|--|----|
| 4 | Introduction | 9 |
| 5 | Aims | 9 |
| 6 | Assessment Objectives | 10 |
| 7 | Scheme of Assessment - <i>Advanced Subsidiary</i> | 11 |
| 8 | Scheme of Assessment - <i>Advanced Level (AS+A2)</i> | 12 |

Subject Content

- | | | |
|----|---|----|
| 9 | Summary of Subject Content | 14 |
| 10 | AS Module 1 - Marketing and Accounting and Finance | 16 |
| 11 | AS Module 2 - People and Operations Management | 18 |
| 12 | AS Module 3 - External Influences and Objectives and Strategy | 20 |
| 13 | A2 Module 4 - Marketing and Accounting and Finance | 22 |
| 14 | A2 Module 5 - People and Operations Management | 25 |
| 15 | A2 Module 6 - External Influences and Objectives and Strategy | 27 |

Key Skills and Other Issues

- | | | |
|-----------|---|----|
| 16 | Key Skills – Teaching, Developing and Providing Opportunities for Generating Evidence | 29 |
| 17 | Spiritual, Moral, Ethical, Social, Cultural And Other Issues | 33 |

Coursework Project

- | | | |
|-----------|--|----|
| 18 | Nature of the Coursework Project | 34 |
| 19 | Guidance on Setting the Coursework Project | 34 |
| 20 | Assessment Criteria | 38 |
| 21 | Supervision and Authentication | 41 |
| 22 | Standardisation | 42 |
| 23 | Administrative Procedures | 43 |
| 24 | Moderation | 44 |

Awarding and Reporting

- | | | |
|-----------|---------------------------------|----|
| 25 | Grading, Shelf-Life and Re-Sits | 45 |
|-----------|---------------------------------|----|

Appendices

- | | | |
|----------|------------------------------------|----|
| A | Grade Descriptions | 46 |
| B | Record Forms | 47 |
| C | Overlaps with other Qualifications | 50 |

Background Information

1

New Advanced Subsidiary and Advanced Level Specifications For 2001/2002

Following the Dearing *Review of Qualifications for 16-19 Year Olds* and the subsequent consultation *Qualifying for Success*, all the unitary awarding bodies have introduced new Advanced Subsidiary and revised Advanced Level for the award of the first qualification in 2001 and 2002 respectively.

1.1 Advanced Subsidiary (AS)

Advanced Subsidiary courses will be introduced from September 2000 for the award of the first qualification in August 2001. They may be used in one of two ways:

- as a final qualification, allowing candidates to broaden their studies and to defer decisions about specialism;
- as the first half (50%) of an Advanced Level qualification, which must be completed before an Advanced Level award can be made.

Advanced Subsidiary is designed to provide an appropriate assessment of knowledge, understanding and skills expected of candidates who have completed the first half of a full Advanced Level qualification. The level of demand of the AS examination is that expected of candidates half-way through a full A Level course of study.

1.2 Advanced Level (AS+A2)

The Advanced Level examination is in two parts:

- Advanced Subsidiary (AS) – 50% of the total award;
- a second examination, called A2 – 50% of the total award.

Most Advanced Subsidiary and Advanced Level courses will be modular. The AS will comprise three teaching and learning modules and the A2 will comprise a further three teaching and learning modules. Each teaching and learning module will normally be assessed through an associated assessment unit. The specification gives details of the relationship between the modules and assessment units.

With the two-part design of Advanced Level courses, centres may devise an assessment schedule to meet their own and candidates' needs. For example:

- assessment units may be taken at stages throughout the course, at the end of each year or at the end of the total course;
- AS may be completed at the end of one year and A2 by the end of the second year;
- AS and A2 may be completed at the end of the same year.

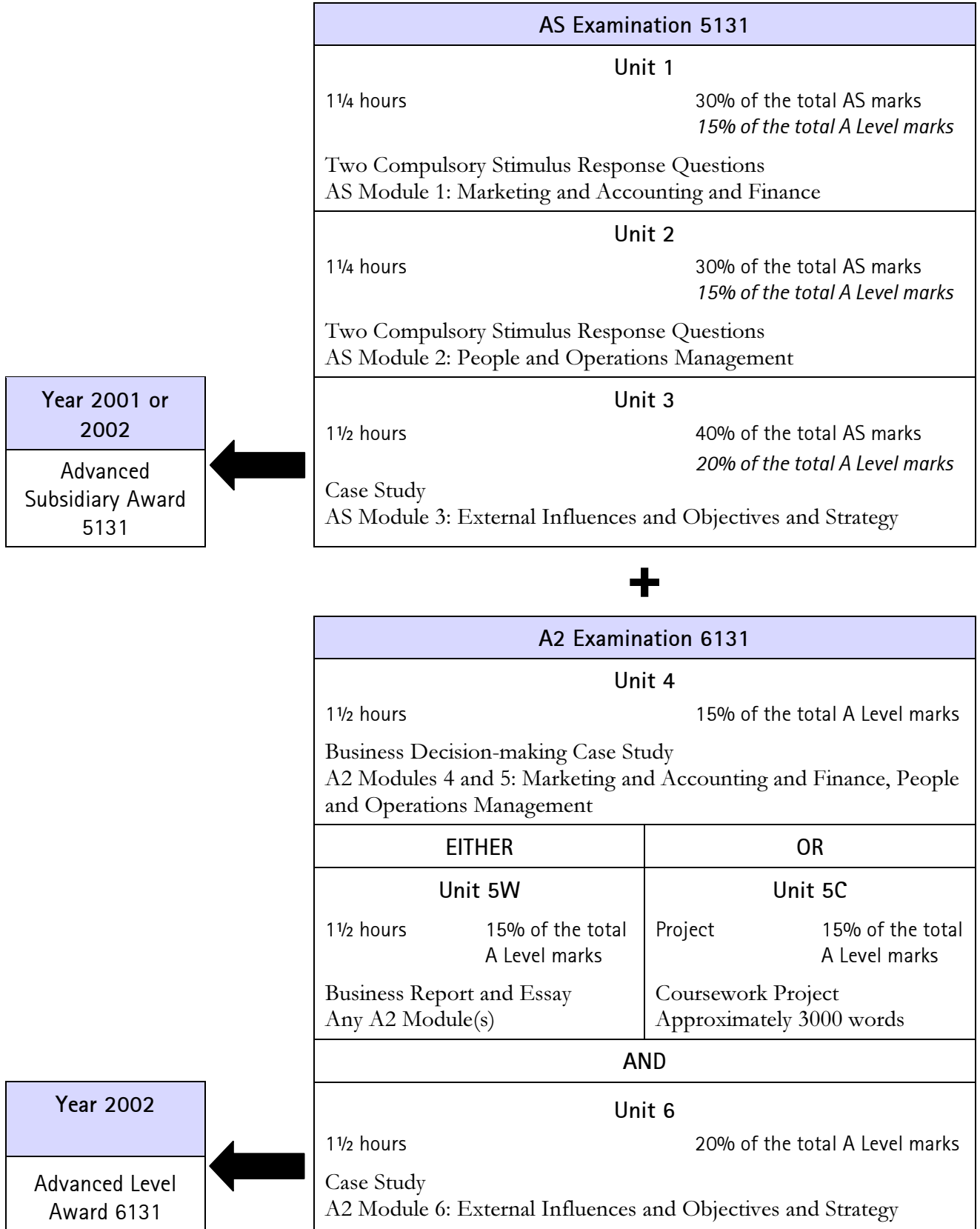
Details of the availability of the assessment units for each specification are provided in Section 3.1.

2

The Specification at a Glance

Business Studies

at Advanced Level



3

Availability of Assessment Units and Entry Details

3.1 Availability of Assessment Units

Examinations based on this specification are available as follows:

	Availability of Units		Availability of Qualification	
	AS	A2	AS	A Level
January 2001	1 and 2	-	-	-
June 2001	1, 2 and 3	-	✓	-
January 2002	1, 2 and 3	4 and 5	✓	-
June 2002	1, 2 and 3	4, 5 and 6	✓	✓
January 2003	1, 2 and 3	4, 5 and 6	✓	✓

3.2 Sequencing of Units

In Business Studies, it is recommended that units are taken in the sequence 1, 2, 3, 4, 5 then 6. Unit 6 includes synoptic assessment of the whole A Level course, testing candidates' understanding of the relationship between different aspects of Business Studies. Therefore, this unit must be taken at the end of the course.

3.3 Entry Codes

Normal entry requirements apply, but the following information should be noted.

The following unit entry codes should be used:

AS	A2
Unit 1 - <i>BUS1</i>	Unit 4 - <i>BUS4</i>
Unit 2 - <i>BUS2</i>	Unit 5W - <i>BU5W</i>
Unit 3 - <i>BUS3</i>	Unit 5C - <i>BU5C</i>
	Unit 6 - <i>BUS6</i>

The **Subject Code** for entry to the AS only award is *5131*.

The **Subject Code** for entry to the Advanced Level award is *6131*.

3.4 Prohibited Combinations

Candidates entering for this examination are prohibited from entering for any other GCE Business Studies specification or GCE Business Studies and Economics specification in the same examination series. This does not preclude candidates from taking AS and A2 units with AQA in the same examination series.

Every specification is assigned to a national classification code indicating the subject area to which it belongs.

Centres should be aware that candidates who enter for more than one GCE qualification with the same classification code will have only one grade (the highest) counted for the purpose of the School and College Performance Tables.

The classification code for this specification is 3210.

3.5 Private Candidates

This specification is available for private candidates in the following situations:

- for candidates who have not previously entered for the specification, the written unit option only is available;
- where candidates have already received a result for the coursework unit, entry for the coursework option may be made;
- where an AS/A Level award has already been made within 12 months, the coursework unit result may be carried forward for one year if the rest of the qualification is being retaken.

Private candidates should write to AQA for a copy of '*Supplementary Guidance for Private Candidates*'.

3.6 Special Consideration

Special consideration may be requested for candidates whose work has been affected by illness or other exceptional circumstances. The appropriate form and all relevant information should be forwarded to the AQA office which deals with such matters for the centre concerned. Special arrangements may be provided for candidates with special needs.

Details are available from AQA and centres should ask for a copy of "*Candidates with Special Assessment Needs, Special Arrangements and Special Consideration: Regulations and Guidance*".

3.7 Language of Examinations

All assessment units in this subject are provided in English only.

Scheme of Assessment

4

Introduction

This GCE Business Studies specification complies with:

- the AS/A Subject Criteria for Business Studies;
- the GCSE and GCE A/AS Code of Practice;
- the GCE Advanced Subsidiary and Advanced Level Qualification-Specific Criteria;
- the Arrangements for the Statutory Regulation of External Qualifications in England, Wales and Northern Ireland: Common Criteria.

This specification has been designed to allow the integration of business themes, such as innovation and change, social and environmental responsibilities, take-overs and mergers and ethical considerations.

4.1 Prior level of attainment and recommended prior learning

This specification provides a smooth transition from GCSE Business Studies, although this is not a pre-requisite for studying AS/A Level Business Studies. No prior learning is necessary for candidates to undertake a course of study based on this specification.

The specification lays an appropriate foundation for further study of Business Studies or related subjects in higher education. In addition, it provides a worthwhile course for candidates of various ages and from diverse backgrounds in terms of general education and lifelong learning. Equally, material studied would be useful for candidates intending to pursue careers in any area of business.

5

Aims

A course based on this specification should encourage candidates to:

- develop a critical understanding of organisations, the markets they serve and the process of adding value. This should involve consideration of the internal workings and management of organisations and, in particular, the process of decision-making in a dynamic external environment;
- be aware that business behaviour can be studied from the perspectives of a range of stakeholders including customers, managers, creditors, owners/shareholders and employees. In addition, candidates should be aware of the economic, environmental, ethical, governmental, legal, social and technological issues associated with business activity. Candidates should understand that Business Studies draws on a variety of disciplines and that these perspectives and disciplines are interrelated;

- c. Acquire a range of skills, including decision-making and problem-solving in the light of evaluation and, where appropriate, the quantification and management of information;
- d. Be aware of the current structure of business and business practice, as reflected in events and issues affecting organisations in different sectors and environments, recognising that they face varying degrees of competition. These organisations include: large and small; manufacturing and service; local, regional, national and multinational; profit-making and non profit-making.

6

Assessment Objectives

The Assessment Objectives for the AS and A Level are the same and this specification requires candidates to:

- A01. demonstrate knowledge and understanding of the specified content;
- A02. apply their knowledge and critical understanding to problems and issues arising from both familiar and unfamiliar situations;
- A03. analyse problems, issues and situations;
- A04. evaluate, distinguish between fact and opinion, and assess information from a variety of sources.

6.1 Quality of Written Communication

The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:

- select and use a form and style of writing appropriate to purpose and complex subject matter;
- organise relevant information clearly and coherently, using specialist vocabulary when appropriate;
- ensure text is legible, and spelling, grammar and punctuation are accurate, so that meaning is clear.

The assessment of the quality of written communication is included in all of the Assessment Objectives.

7

Scheme of Assessment – Advanced Subsidiary (AS)

The Scheme of Assessment has a modular structure. The Advanced Subsidiary (AS) award comprises three compulsory assessment units. The AS/A Subject Criteria for Business Studies are interwoven in the Subject Content and may be assessed in any of the following units.

7.1 Assessment Units

Unit 1	Written Unit	1¼ hours
30% of the total AS marks	63 marks	

This unit comprises **two** stimulus response questions and assesses **Module 1** (Marketing and Accounting and Finance) of the AS Subject Content. Both questions are compulsory.

Unit 2	Written Unit	1¼ hours
30% of the total AS marks	63 marks	

This unit comprises **two** stimulus response questions and assesses **Module 2** (People and Operations Management) of the AS Subject Content. Both questions are compulsory.

Unit 3	Written Unit	1½ hours
40% of the total AS marks	84 marks	

This unit requires candidates to answer a number of compulsory questions based on a Case Study contained within the paper. It assesses **Module 3** (External Influences and Objectives and Strategy) of the AS Subject Content.

7.2 Weighting of Assessment Objectives for AS

The approximate relationship between the relative percentage weighting of the Assessment Objectives (AOs) and the overall Scheme of Assessment is shown in the following table.

Assessment Objectives	Unit Weightings (%)			Overall Weighting of AOs (%)
	1	2	3	
Knowledge and understanding (AO1)	10	10	10	30
Application (AO2)	10	10	10	30
Analysis (AO3)	7	7	10	24
Evaluation (AO4)	3	3	10	16
Overall Weighting of Units (%)	30	30	40	100

Candidates' marks for each assessment unit are scaled to achieve the correct weightings.

Scheme of Assessment – Advanced Level (AS+A2)

The Scheme of Assessment has a modular structure. The A Level award comprises three compulsory assessment units from the AS Scheme of Assessment and either a written assessment unit or a coursework assessment unit, and two compulsory assessment units from the A2 Scheme of Assessment. The AS/A Subject Criteria for Business Studies are interwoven in the Subject Content and may be assessed in any of the following units.

The details of the AS assessment units are given in Section 7 above and comprise the following units:

8.1 AS Assessment Units	Unit 1 15% of the total A Level marks	Written Unit 63 marks	1¼ hours
	Unit 2 15% of the total A Level marks	Written Unit 63 marks	1¼ hours
	Unit 3 20% of the total A Level marks	Written Unit 84 marks	1½ hours
8.2 A2 Assessment Units	Unit 4 15% of the total A Level marks	Written Unit 84 marks	1½ hours
	<p>This is a business decision-making Case Study which requires candidates to answer a number of compulsory questions. It assesses Module 4 and Module 5 (Marketing and Accounting and Finance, People and Operations Management) of the A2 Subject Content.</p>		
EITHER	Unit 5W 15% of the total A Level marks	Written Unit 84 marks	1½ hours
	<p>This unit contains two sections and questions assess any module(s) of A2 Subject Content.</p> <p>Section A contains data organised into a number of appendices and candidates are required to write a report, making and justifying a business decision based on the investigation, selection and interpretation of the data using appropriate techniques. The section mirrors the skills required for a successful project, especially that of selection.</p> <p>Section B contains four essay questions and candidates are required to answer one.</p> <p>It is recommended that candidates spend 50 minutes on Section A and 40 minutes on Section B.</p>		

OR

Unit 5C 15% of the total A Level marks	Coursework Project 84 marks
---	--------------------------------

The coursework project requires candidates to complete a project, the title/topic of which may be taken from the list given in Section 19. The project should be approximately 3000 words in length, excluding tables, figures and appendices and can be based on subject content from any module of this specification. It is assessed by the teacher(s) and moderated by AQA.

AND

Unit 6 20% of the total A Level marks	Written Unit 84 marks	1½ hours
--	--------------------------	----------

This unit requires candidates to answer a number of compulsory questions based on a Case Study contained within the paper. It assesses candidates' understanding of the relationship between different elements of Business Studies using integrating themes from **Module 6** (External Influences and Objectives and Strategy) of the A2 Subject Content.

8.3 Synoptic Assessment

The Advanced Subsidiary and Advanced Level Criteria state that A Level specifications must include synoptic assessment (representing at least 20% of the total A Level marks). In the context of Business Studies, this involves the explicit integration of knowledge, understanding and skills learned in different parts of the A Level course. This synoptic assessment takes place in Unit 6 (20%) which assesses candidates' understanding of the relationship between the different aspects of Business Studies and requires the use of skills acquired throughout the course of study. Several areas of the Subject Content may be assessed using integrating themes which emphasise the interactive nature of the business world and draw all the Subject Content together.

8.4 Weighting of Assessment Objectives for A Level

The approximate relationship between the relative percentage weighting of the Assessment Objectives (AOs) and the overall Scheme of Assessment is shown in the following table.

A Level Assessment Units (AS + A2)

Assessment Objectives	Unit Weightings (%)						Overall Weighting of AOs (%)
	1	2	3	4	5	6	
Knowledge and understanding (AO1)	5	5	5	3	3	4	25
Application (AO2)	5	5	5	4	3	3	25
Analysis (AO3)	3½	3½	5	5	3	5	25
Evaluation (AO4)	1½	1½	5	3	6	8	25
Overall Weighting of Units (%)	15	15	20	15	15	20	

Candidates' marks for each assessment unit are scaled to achieve the correct weightings.

Subject Content

9

Summary of Subject Content

9.1 AS Modules

MODULE 1 – Marketing and Accounting and Finance

- Market Analysis
- Marketing Strategy
- Marketing Planning
- Classification of Costs, Profit, Contribution and Break-even Analysis
- Company Accounts
- Budgeting
- Cost Centres and Profit Centres

MODULE 2 – People and Operations Management

- Management Structure and Organisation
- Motivation
- Human Resource Management
- Productive Efficiency
- Controlling Operations
- Lean Production

MODULE 3 – External Influences and Objectives and Strategy

- Economic
- Governmental
- Social and Other Opportunities and Constraints
- Starting a Small Firm
- Business Objectives
- Business Strategy

9.2 A2 Modules

MODULE 4 – Marketing and Accounting and Finance

- Market Analysis
- Marketing Strategy
- Marketing Planning
- Company Accounts
- Ratio Analysis
- Contribution and Break-even Analysis
- Investment Decision-making

MODULE 5 – People and Operations Management

- Communication
- Employer/Employee Relations
- Human Resource Management
- Productive Efficiency
- Controlling Operations
- Facilities

MODULE 6 – External Influences and Objectives and Strategy

- Economic
- Governmental
- Social and Other Opportunities and Constraints
- Impact on Firms of a Change in Size
- Business Objectives
- Business Strategy

9.3 Introduction

The Subject Content set out below incorporates that of the QCA AS/A Subject Criteria for Business Studies in full.

In order that candidates gain a well-rounded understanding of Business Studies, it is essential that each section of knowledge and understanding is part of both the AS and A Level specification. However, the A Level specification will further develop higher level skills and extend beyond the AS in terms of breadth and depth of knowledge and understanding.

The Subject Content is presented in six main teaching and learning modules, three in the AS and three in the A2. Candidates must cover both the AS and A2 material if they are studying for the full A Level qualification.

In the Subject Content, the knowledge and understanding is set out in a two-column format. The essential knowledge and understanding is set out on the left-hand side of the page together with a commentary on the right-hand side of each section indicating the breadth and/or depth of treatment which is expected. There is no implied hierarchy in the order in which the essential knowledge and understanding is presented, nor should the length of the various sections be taken to imply any view of their relative importance. The amount of guidance given is dependent on the nature of the topic and holds no implication for the depth or breadth, or for the amount of teaching time required.

The AS is a sub-set of the A Level with the distinctions between what is required for the AS and the A Level clearly identified. Knowledge and understanding for the AS is built on by extension material within the A2.

The use, preparation and interpretation of business data are inherent throughout the Subject Content. Candidates should be able to understand and apply the mean, median and mode; prepare and interpret tables, graphs, histograms, bar charts and pie charts; use simple indexing and moving averages.

Good communication is fundamental to the subject. Candidates should be able to select when to write in a concise report format and when to use extended prose. Written analysis should show a critical understanding of businesses and the environment within which they work, leading to evaluation and informed judgements or recommendations.

Candidates should, where appropriate, make use of Information Technology throughout their study of this specification, using it as a tool to aid their understanding of the Subject Content.

AS Module 1

Marketing and Accounting and Finance

Marketing

Candidates are expected to gain an understanding of marketing in an integrated context within the organisation. The study of marketing should focus on the processes of identifying, targeting and satisfying customers with an emphasis on marketing objectives, strategy and tactics.

10.1 Market Analysis

Segmentation analysis, market size, growth and share

Quantitative and qualitative analysis of a market in whole and in part.

Market research: primary and secondary

Size and type of sample (random and quota); problems with sampling and research methods; analysing survey results; qualitative research; secondary, including government statistics.

A qualitative understanding of statistical significance of sample findings

Candidates are **not** expected to calculate standard deviations or confidence levels; only a verbal understanding is required (e.g. of a phrase such as “a 95% confidence level”).

10.2 Marketing Strategy

Objectives and marketing

The link between marketing strategy or mix and the objective being pursued; strategies versus tactics.

Niche versus mass marketing

Business benefits and limitations of niche marketing; competing in mass markets through product differentiation.

Product life cycle and product portfolio analysis

Product life cycle: problems of prediction and determinism; extension strategies; relationship with cash flow and capacity utilisation; Boston Matrix.

Adding value

Through a USP (unique selling point/proposition) or by identifying the right mix of design, function, image and service.

10.3 Marketing Planning

Marketing mix

Setting the mix in a strategic context, emphasising integration and the role of market research:

product: design and development;

price: - strategies for new (skim or penetrate) and existing (price leader, price taker or predator) products

– methods, including cost-plus, contribution, discrimination

– tactics, including loss leaders and psychological pricing;

promotion: above the line and below the line;

place: distribution targets and how to achieve them, distribution channels.

Application of elasticity of demand

Understanding the concept, the factors that determine it, the difficulties of calculating and using elasticity, its implications for revenue and profit (and therefore decision-making); relevant elasticities including price and income (advertising elasticity will not be examined); written and numerate understanding is necessary.

Accounting and Finance

Candidates are expected to gain an understanding of accounting and finance in an integrated context within the organisation and the wider environment. Emphasis is placed on the use of accounting and financial information as an aid to decision-making and financial control.

10.4	Classification of Costs, Profit, Contribution and Break-even Analysis	Fixed and variable; direct and indirect/overheads; revenue, total costs and profit; contribution per unit; break-even analysis and simple break-even charts.
10.5	Company Accounts	
	Cash flow management	Cash flow forecasting: purpose of, construction of and perils of; ways of improving cash flow: factoring, sale and leaseback, improved working capital control.
	Distinction between cash flow and profit	Vital role of cash flow in the short term, profit in the long run.
	Sources of finance	Internal: trading profit, working capital and asset sales. External: ordinary share capital; loan capital - bank loans, overdrafts and debentures, venture capital.
10.6	Budgeting	
	Understanding the purpose of budgets	Role of budgeting in management accounting; problems of setting budgets; benefits and drawbacks of their use.
	Interpreting but not analysing variances	Calculation and interpretation of favourable and adverse variances (not analysing by price and volume, nor flexible budgets); zero budgeting.
10.7	Cost Centres and Profit Centres	
	Elementary management accounts focusing upon the value of delegated power over budgets	Accounting, organisational and motivational purposes of cost centres and profit centres.

AS Module 2

People and Operations Management

People in Organisations

Candidates are expected to appreciate the contributions of selected management theories to an understanding of motivation and leadership. They are required to understand the significance of various management and organisational structures for a business and its employees. Also, they should recognise the opportunities and constraints, in relation to people in organisations, created by the business/legal environment.

11.1 Management Structure and Organisation

Important overall themes include corporate culture, change management and the differing approaches of small and large organisations.

Organisational design

Centralised versus decentralised structure; reasons for, and weaknesses of, organisational hierarchies; relationship between hierarchy and span; implications of narrow versus wide span; delayering; functional versus matrix management; accountability and responsibility.

Management by objectives

Purpose, method and implications of this approach; distinction between aims (or mission) and objectives.

Delegation and consultation

Purpose of each and difference between them; relationship with leadership styles and structures such as quality circles and kaizen groups.

11.2 Motivation

The listing of theorists should not be taken to mean that others are not of value. Answers may well be enriched by the use of other writers; credit will be given for relevant references.

Motivation theory

Taylor, Mayo, Maslow and Herzberg.

Motivation in practice

Job enrichment, job enlargement, empowerment, team working.

Financial incentives

Piecework, performance-related pay, profit share, share ownership, fringe benefits, salary.

Leadership and management styles

Authoritarian, paternalistic, democratic; McGregor's Theory X and Y; team-based versus them and us, including issues relating to single status.

11.3 Human Resource Management

This section introduces HRM in relation to effective planning and usage of staff as a major strategic resource.

Workforce planning

Assessing future labour needs (by type and number); ways of achieving labour targets.

Recruitment and training

Internal and external recruitment; methods of selection; induction; on and off-the-job training; potential for market failure (reluctance to train staff because of poaching).

Operations Management

Candidates are expected to gain an understanding of operations management in an integrated context within the organisation and the wider environment. The study of operations management should focus on the way organisations use inputs and manage business processes efficiently to satisfy customers. These efficiencies should be related to financial controls and marketing benefits.

11.4 Productive Efficiency	Clear links should be established between productive efficiency and Module Sections 11.2 and 11.3 on People in Organisations, especially in terms of productivity.
Economies and diseconomies of scale	Economies: technical, specialisation, purchasing Diseconomies: co-ordination, communication, motivation Distinguishing the quantifiable (mainly economies) from the qualitative (mainly diseconomies).
Capacity utilisation	Impact of under-utilisation; ways of increasing usage, including rationalisation and sub-contracting.
Capital versus labour intensity	Job, batch and flow production; trade-off between productivity and flexibility; implications for international competitiveness.
11.5 Controlling Operations	This section focuses on qualitative understanding of the issues, although there may be a requirement to analyse benchmarked data.
Stock control	Buffer stocks, re-order levels, lead times, maximum stock levels, diagrams of stock levels; stock rotation, stock wastage, opportunity cost.
Quality control, improvement and assurance	Self checking versus inspection; total quality management; BS 5750 (ISO 9000); benchmarking.
11.6 Lean Production	
Cell production	Purpose and method; link with teamwork methods, self checking and Just in Time (JIT).
Just in Time	Purpose and implications; link with flexible working and people-centred management; role in minimising waste of resources.
Time-based management	JIT; shorter product development times; simultaneous engineering.
Continuous improvement	Kaizen groups; desire for gradual change instead of major rethinks; involvement of well-qualified staff in suggesting product and process improvements.

AS Module 3

External Influences and Objectives and Strategy

External Influences

This module section comprises external business influences which affect the decision-making processes on areas of Subject Content given in AS Modules 1 and 2. Candidates must have an awareness of how the business environment provides opportunities and imposes constraints on the pursuit of short-term and long-term objectives.

12.1 Economic Opportunities and Constraints

The market and competition

Different market conditions: excess capacity versus capacity shortage; degree of competition in the market; fair versus unfair competition.

Macro-economic issues in relation to business, including:

- The business cycle
- Interest rates
- Exchange rates
- Inflation
- Unemployment

Causes (durables, stock levels and investment decisions), phases and implications, e.g. business opportunities during upturn.

Variations and their effects on demand, overheads, the pound (£) and investment decisions.

Degree of fluctuation: direct and indirect effects upon the economy and business opportunities.

Causes, importance of expectations, effects of inflation and deflation on firms, RPI.

Types (structural and cyclical) and effects.

12.2 Governmental Opportunities and Constraints

UK and EU law (outline knowledge only)

Awareness of the purpose and degree of impact of laws regarding health and safety, employment, consumer protection and competition.

12.3 Social and Other Opportunities and Constraints

Social responsibilities

Responsibilities to employees, customers and other stakeholders.

Business ethics

Morality in decision-making; potential conflict of ethics with profit.

Technological change

Business opportunities (new products or process); fear and cost of change; effect on staff.

Objectives and Strategy

This module section draws together all the other modules, and the items given below should be seen as integrating themes which emphasise the interactive nature of the business world. Emphasis in this section is on the strategic importance of clear objectives.

12.4 Starting a Small Firm

This section considers the differing needs, problems and opportunities of manufacturing and tertiary businesses.

Identifying an opportunity

Small budget research and marketing; identifying a profitable product or service; protecting it (patents and copyright).

Legal structure

Sole trader, private limited company, public limited company; limited or unlimited liability; divorce of ownership and control.

Practical problems of start-ups

Finance, location, building a customer base, cash flow, business plan.

12.5 Business Objectives

Corporate aims and goals

Purpose of agreeing aims from which objectives can be derived.

Short versus long-term objectives

Circumstances in which each may apply; implications for decision-making throughout the business.

Conflicting and common aims of stakeholders

Shareholders, staff, customers, suppliers, residents, the state; differing stakeholder and organisational objectives and priorities.

12.6 Business Strategy

SWOT analysis

Purpose and method; application in a wide range of functional and integrated/corporate situations; value in gaining a full understanding of the market and the competitive forces within it.

A2 Module 4

Marketing and Accounting and Finance

Marketing

Candidates are expected to gain an understanding of marketing in an integrated context within the organisation and the wider environment, drawing from the whole of the AS Subject Content. The material set out below should build on key concepts from the Marketing section of AS Module 1 such as objectives, strategy and the need for data upon which to base decisions. Candidates should analyse and evaluate the potential of different marketing strategies, tactics and techniques for enabling businesses to identify and adapt to changing market opportunities and achieve their objectives.

13.1 Market Analysis

Asset versus market-led marketing

Keeping business focus by relating your analysis of customer taste to your own business strengths; keeping alert to a changing marketplace and the opportunities and threats that may emerge.

Extrapolation and correlation (scatter graphs)

Analysis of trends, e.g. moving averages; extrapolation of trends to forecast sales; graphical use of correlation to analyse relationships.

13.2 Marketing Strategy

Marketing decision-making

Marketing model; scientific marketing decisions versus hunches.

13.3 Marketing Planning

Marketing mix

Developing and evaluating a marketing plan in relation to the business objectives.
Co-ordinating the marketing plan with the other business functions, e.g. operations, finance and personnel.

Marketing budget

Setting and justifying a budget in line with objectives or competitors' spending.

Sales forecasting

Roles and techniques: through extrapolation, use of backdata in market research or test marketing.

Accounting and Finance

Candidates are expected to gain an understanding of Accounting and Finance in an integrated context within the organisation and the wider environment. The material set out below should be used to revisit concepts covered in the Accounting and Finance section of AS Module 1 such as contribution, profit and cash flow. Candidates are required to use a range of performance measures critically and to evaluate the appropriateness of different financial techniques in shaping decision-making in the context of the wider strategic objectives of business.

Candidates should acquire the ability to see how financial concepts such as cash flow, gearing, liquidity and profit are affected by factors outside the control of individual firms, such as the economy and the degree of competition and how firms' strategies should reflect this.

13.4 Company Accounts

Capital expenditure and revenue expenditure	Understanding the implication of this distinction for the profit and loss account and balance sheet (including depreciation).
Interpretation of profit and loss accounts and balance sheets	Users and purposes of company accounts; judgement of profit quality, profit utilisation, balance sheet strength and trends over time (e.g. growth in turnover); balance sheets will balance assets employed with capital employed; limitations of published accounts.
Working capital	Stock and debtor control; liquidity; stock valuation conforms to the lower of cost and net realisable value; (LIFO and FIFO are not included).
Depreciation provisions (straight line only)	Emphasis on understanding the purpose and implications of depreciation, including the mix of objectivity and subjectivity.
Window dressing	The ability of firms to make decisions which affect the apparent strength of their published accounts, e.g. brand valuations (boosting intangible assets) or sale and leaseback shortly before the balance sheet date to boost liquidity.

13.5 Ratio Analysis

	The emphasis should be on concepts rather than equations, although calculations are required.
Liquidity (acid test only)	Emphasis on the concept, with its implication of risk, but avoiding determinism (low liquidity implying imminent collapse); how can a firm improve its liquidity? What may be the pitfalls?
Financial efficiency (asset turnover, stock turnover and debtor days)	Calculating and interpreting each; explaining how each could be improved (and at what cost); qualitative understanding of aged debtors and aged stock analysis.
Gearing (loans:capital employed)	Calculation and interpretation; understanding of the risks and rewards involved; identifying the circumstances where high gearing may seem attractive; seeing how it can be reduced; choosing different sources of finance.
Profitability (profit margins and return on capital)	Calculation and interpretation; analysis of the relationship between gross and net margins, e.g. how a price cut could cut gross yet boost net; understanding the importance of ROC (the "primary efficiency ratio").

Shareholders' ratios (dividend per share and dividend yield)

Calculation and interpretation; awareness of the importance of dividends to investors (hence pressure for short-term profit).

Limitations upon the use of ratios

Evaluation of ratios over time, inter-firm and in relation to accountants' norms; understanding the problems of drawing solid conclusions from the data.

13.6 Contribution and Break-even Analysis

Decision-making based upon changing the variables in break-even charts; special order decisions.

13.7 Investment Decision-making

Forecasting cash flows in a situation of market and cost uncertainty

Emphasis on the source and quality of the data and an appraisal of the risks involved.

Quantitative appraisal through payback, Average Rate of Return (ARR) and discounted cash flow (NPV only)

Calculation and evaluation of these techniques; pros and cons of each and of quantitative methods as a whole; understanding criterion levels.

Qualitative factors affecting decisions

Setting investment decisions in the context of objectives, corporate image, human relations and risk.

A2 Module 5

People and Operations Management

People in Organisations

Candidates are expected to gain an understanding of people at work in an integrated context within the organisation and the wider environment. They are required to understand the interrelationships between organisational structure, leadership style and motivation in a business, and to evaluate the implications of these for the effective planning and management of human resources.

Management Structure and Organisation and Motivation are covered in the People in Organisations section of AS Module 2. Both topics are part of the full A Level specification, though no further content need be taught. The topics should be revisited to provide theoretical underpinning to the new material on Communication, Employer/Employee Relations and Human Resource Management.

14.1 Communication

Relationship between motivation and communication

Effect of poor morale on communication and vice versa; importance of feedback.

Barriers to effective communication

Attitudes, intermediaries, lack of common language or sense of purpose.

Difficulties for larger organisations and possible solutions

Communication overload, many layers of hierarchy, over reliance on written; the use of information technology; decentralisation.

14.2 Employer/Employee Relations

Emphasis should be on recent and potential approaches and initiatives, and be linked to an organisation's underlying approach to motivation or leadership.

Differing approaches to employee relations at the collective and individual level

Individual versus collective bargaining; secure, full-time, salaried versus temporary and sub-contracted work.

Employee participation and industrial democracy

Works councils; employee shareholders; autonomous work groups; practical problems and benefits of working in teams; impact on motivation.

The role of trade unions and ACAS

Objectives, functions and organisation of unions; industrial disputes and methods of resolution (including conciliation and arbitration); single union and no strike agreements; the role of ACAS.

Principles of employment law

Individual labour law; collective labour law; impact on business of employment legislation.

14.3	Human Resource Management	This section emphasises the alternative approaches to HRM (dependent upon leadership style) and the criticisms of them. HRM can be a strategy for the personal development of all staff or a control mechanism.
	Workforce planning	As an integrated process bearing in mind production, marketing and corporate plans.
	Methods of remuneration	As AS Module Section 11.2 - Financial incentives, but with added emphasis on goals of HRM.
	Measurements of personnel effectiveness (labour productivity, labour turnover, absenteeism and health and safety)	Ability to calculate and evaluate; causes and effects; importance as indicators of personnel strategy.

Operations Management

Candidates are expected to gain an understanding of operations management in an integrated context within the organisation and the wider environment. The material set out below should be related to that of the AS Subject Content, especially the Operations Management section of Module 2. Candidates are required to analyse and evaluate the use of different operations management tools to enhance decision-making in order to improve efficiency and quality.

14.4	Productive Efficiency	
	Research and Development	Function of R & D; importance of science and technology in innovation and developing product quality; relationship of R & D to product design, product life cycles and market research.
	Critical path analysis	Drawing simple networks, calculating Earliest Start Times and Latest Finish Times, identifying the critical path, calculating total float; understanding the business implications of CPA, especially for efficiency, business decision-making, time-based management and working capital control.

14.5	Controlling Operations	
	Application of IT within and between organisations	Impact on stock control, production eg CAD/CAM, communications e.g. Internet, accounting (especially budgetary control), employment and location, e.g. teleworking.

14.6	Facilities	The focus must be on business based decision-making using methods such as break-even analysis or investment appraisal (but qualitative factors should not be underestimated).
	Regional location	The business approach to location decisions, including costs, resources, infrastructure, the market, government intervention and qualitative factors.
	International location	As above, plus multinational strategies, including avoiding protectionism and achieving high economies of scale.

A2 Module 6

External Influences and Objectives and Strategy

External Influences

This module section comprises external business influences which affect decision-making and the ability of organisations to meet their objectives. It builds on all the AS Subject Content, especially the External Influences section of AS Module 3.

15.1 Economic Opportunities and Constraints

Implications for business strategy of:

- International competitiveness
- Economic growth
- The European Union and other overseas opportunities in emerging markets

Changes in, and the level of, interest rates, exchange rates, inflation and unemployment; the business cycle (building on the work completed for the AS); the labour market: skills surpluses and shortages.

Main determinants (integrating production, people, marketing and strategic issues).

Measurement (GDP), determinants and effects (business and environmental); differences between local, national and international economic activity.

Export opportunities; competition; market access; pan-European strategy; institutions affecting business; impact of a single European currency.

15.2 Governmental Opportunities and Constraints

Government policies affecting business

Economic policy: fiscal and monetary; intervention versus laissez faire; privatisation.

15.3 Social and Other Opportunities and Constraints

Social responsibilities

Responsibilities to employees, customers and other stakeholders; should firms accept them? If so, how and why?

Business ethics

Morality in decision-making; potential conflict of ethics with delegation; business culture; ethics or public relations.

Environmental pressures and opportunities

Business and external costs; market opportunities; contingency planning; resource management; pollution control.

Political change

Changes which create new opportunities or constraints in Britain or overseas (such as the opening of Eastern European markets).

Pressure group activity

Lobbying, direct action against company image.

Social auditing

Purpose and implementation; non-financial measures of efficiency; social costs; environmental audits; market failure.

Objectives and Strategy

This module section draws together all the Subject Content areas, and the items given below should be seen as integrating themes which emphasise the interactive nature of the business world. The material set out below builds on all the Subject Content for both the AS and the A2. The topics in the Objectives and Strategy section of AS Module 3 should be revisited when covering the following material. In relation to various business situations, candidates are required to recognise potential conflict between the objectives of different stakeholder interests, and to suggest and evaluate resolutions to such conflict. They are also required to recognise the interrelationship between objectives and an uncertain business environment, and to devise and evaluate strategies which aim to anticipate, respond to and manage change.

15.4 Impact on Firms of a Change in Size

Financing growth	Internal and external sources of capital (as AS Module Section 10.5 Sources of Finance); effect of growth on cash flow; risks of over-trading.
Management re-organisation during growth	Problem of adjustment from boss to leader/manager; change in management structure/hierarchy; risk of loss of direction and control.
Problems of transition in size	From private to publicly quoted, national to international; retrenchment.
Change in ownership	Take-overs and mergers: horizontal, vertical and conglomerate; purpose, financing and effects; management buy-outs: risks and rewards.

15.5 Business Objectives

Mission and organisational culture	Mission statements; organisational culture: its impact, difficulty of changing it.
------------------------------------	--

15.6 Business Strategy

Decision-making to achieve objectives	Decision-making models: scientific decision-making model (e.g. the marketing model), Ansoff's Matrix.
Decision trees	Constructing and evaluating simple tree diagrams based on business choices and probabilities; understanding the value and the limitations of the technique.
Corporate plan (medium to long term)	Strategic versus tactical decisions; role of the corporate plan in pursuing objectives.
Contingency planning	The need to question constantly current methods and assumptions.

Key Skills and Other Issues

16

Key Skills – Teaching, Developing And Providing Opportunities for Generating Evidence

16.1 Introduction

The Key Skills qualification requires candidates to demonstrate levels of achievement in the Key Skills of *Application of Number*, *Communication* and *Information Technology*.

The units for the ‘wider’ Key Skills of *Improving own Learning*, *Working with Others* and *Problem-Solving* are also available. The acquisition and demonstration of ability in these ‘wider’ Key Skills is deemed highly desirable for all candidates, but they do not form part of the Key Skills qualification.

Copies of the Key Skills units may be downloaded from the QCA web site (<http://www.qca.org.uk/keyskills>).

The units for each Key Skill comprise three sections:

- A What you need to know.
- B What you must do.
- C Guidance.

Candidates following a course of study based on this specification for Business Studies can be offered opportunities to develop and generate evidence of attainment in aspects of all of the Key Skills. Areas of study and learning that can be used to encourage the acquisition and use of Key Skills, and to provide opportunities to generate evidence for Section B of the units, are signposted below. More specific guidance on integrating the delivery of Key Skills in courses based upon this specification is given in the AQA Teachers’ Guide.

16.2 Key Skills Opportunities in Business Studies

The broad and multi-disciplinary nature of Business Studies, and its application to a wide range of current issues that call upon candidates to demonstrate the transferability of their knowledge, understanding and skills, makes it an ideal vehicle to assist candidates in developing their knowledge and understanding of the Key Skills and to produce evidence of their application.

The matrices below signpost the opportunities for the acquisition, development and production of evidence for Section B of each of the six Key Skills units at *Level 3*, in the teaching and learning modules of this specification. The degree of opportunity in any one module will depend upon a number of centre-specific factors, including teaching strategies and level of resources.

Communication

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
C3.1a Contribute to discussions	✓	✓	✓	✓	✓	✓
C3.1b Make a presentation	✓	✓	✓	✓	✓	✓
C3.2 Read and synthesise information	✓	✓	✓	✓	✓	✓
C3.3 Write different types of documents	✓	✓	✓	✓	✓	✓

Application of Number

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
N3.1 Plan and interpret Information from different sources	✓	✓	✓	✓	✓	✓
N3.2 Carry out multi-stage calculations	✓	✓	✓	✓	✓	✓
N3.3 Present findings, explain results and justify choice of methods	✓	✓	✓	✓	✓	✓

Information Technology

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
IT3.1 Plan and use different sources to search for and select information	✓	✓	✓	✓	✓	✓
IT3.2 Explore, develop and exchange information, and derive new information	✓	✓	✓	✓	✓	✓
IT3.3 Present information including text, numbers and images	✓	✓	✓	✓	✓	✓

Working with Others

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
WO3.1 Plan the activity	✓	✓	✓	✓	✓	✓
WO3.2 Work towards agreed objectives	✓	✓	✓	✓	✓	✓
WO3.3 Review the activity	✓	✓	✓	✓	✓	✓

Improving own learning and performance

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
LP3.1 Agree and plan targets	✓	✓	✓	✓	✓	✓
LP3.2 Seek feedback and support	✓	✓	✓	✓	✓	✓
LP3.3 Review progress	✓	✓	✓	✓	✓	✓

Problem Solving

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
PS3.1 Recognise, explain and describe the problem	✓	✓	✓	✓	✓	✓
PS3.2 Generate and compare different ways of solving problems	✓	✓	✓	✓	✓	✓
PS3.3 Plan and implement options	✓	✓	✓	✓	✓	✓
PS3.4 Agree and review approaches to tackling problems	✓	✓	✓	✓	✓	✓

N.B. The signposting opportunities in the six tables above represent opportunities to acquire and produce evidence of the Key Skills which are possible through this specification. There may be other opportunities to achieve these and other aspects of Key Skills via this specification, but some opportunities are dependent on the detailed course of study delivered within centres.

16.3 Key Skills in the Assessment of Business Studies

The ‘main’ Key Skill of Communication must contribute to the assessment of Business Studies. Aspects of communication are an intrinsic part of all of the Assessment Objectives and hence will form part of the assessment requirements for all units.

16.4 Further Guidance

More specific guidance and examples of tasks that can provide evidence of one or more Key Skills are given in the AQA Teachers’ Guide.

Spiritual, Moral, Ethical, Social, Cultural and Other Issues

17.1 Spiritual, Moral, Ethical, Social and Cultural Issues

The study of Business Studies can contribute to a candidate's understanding of moral, ethical, social and cultural issues. Candidates should be made aware that business decisions are influenced invariably by the value systems of individuals, firms and governments reflecting cultural background and moral views of the world. For example, the appreciation of business ethics encourages understanding of moral issues and the consideration of companies operating on a global level, across cultural divides, encourages understanding of cultural issues. Also, consideration of why people work, such as the social motives and other non-financial factors, encourages understanding of social issues.

Consideration of Social and Other Opportunities and Constraints in AS Module 3 and A2 Module 6 would contribute to candidates' understanding of these issues.

17.2 European Dimension

AQA has taken account of the 1988 Resolution of the Council of the European Community in preparing this specification and associated specimen units. The specification is designed to improve candidates' knowledge and understanding of the effects of the UK's membership on businesses and business practice.

Consideration of Governmental Opportunities and Constraint AS Module 3 and Economic Opportunities and Constraints in A2 Module 6 would contribute to candidates' understanding of these issues.

17.3 Environmental Education

AQA has taken account of the 1988 Resolution of the Council of the European Community and the Report *'Environmental Responsibility: An Agenda for Further and Higher Education'* 1993 in preparing this specification and associated specimen units. The specification is designed so it can be used as a medium for improving environmental education and the Subject Content includes environmental themes which can affect businesses and business practice, e.g. Lean Production in AS Module 2, Social and Other Opportunities and Constraints in AS Module 3 and A2 Module 6.

17.4 Avoidance of Bias

AQA has taken great care in the preparation of this specification and associated specimen units to avoid bias of any kind.

Centre-Assessed Unit

18

Nature of the Coursework Project

The coursework project (*BU5C*) is available to candidates entered for the full A Level specification and it accounts for 15% of the total A Level marks. Candidates must complete **one** project, either chosen from the range of specified projects listed in Section 19 below or one of their own choosing. Each involves primary research, either within a specific organisation or via a survey of consumers or retailers. The research focus for the project should usually be local rather than national. The recommended number of words for the project is approximately 3000 excluding any tables, figures and appendices. Projects which greatly exceed this recommended word count are likely to lose relevance, focus and clarity of expression which may preclude them from gaining marks in the higher levels of the assessment criteria.

Given its nature, coursework should draw on a number of modules of the Subject Content, enabling candidates to demonstrate an awareness of the relationships between the different aspects of Business Studies.

19

Guidance on Setting the Coursework Project

Candidates may complete projects outside the range of the following list, as long as the chosen project allows candidates the opportunity to reach the higher levels of the assessment criteria (see Section 20). Advice on the suitability of project titles may be sought through the coursework advisory service. (Details of this service can be found in the AQA Teachers' Guide.)

19.1 Starting Up a Business

A feasibility study into starting up your own business. Candidates could consider:

- a worthwhile business opportunity;
- the local/national competition;
- potential customers;
- pricing and marketing strategies;
- the start-up and operating costs of the business;
- the financial aspects (by constructing a cash flow forecast and a break-even chart for the first year);
- whether or not to proceed, making justified recommendations.

19.2 A Case Study of a Reorganisation

A study of a reorganisation of the operations of a manufacturing or service business. Candidates could consider:

- the reasons behind the reorganisation, e.g. reduction in market share;
- the objectives behind the policy;
- the plan for reorganisation;
- the effects on the company;
- any resistance to change;
- the effectiveness of internal communications through a staff questionnaire (this may require company vetting/approval);
- any lessons learnt by management;
- the success (or otherwise) of the process.

19.3 A Study of the Effect on Business(es) of a Local Development

A study of the effect on local firms of a significant external change such as a new shopping centre, the opening or closure of a major factory, the establishment of a Red Route or the pedestrianisation of a town centre. Candidates could consider:

- the development and its time scale;
- the local issues as raised by the local media, and prepare a brief review of these;
- the likely impact upon one or two local firms following discussions with them. Candidates should then write a questionnaire based on these discussions;
- the findings from a postal or face-to-face survey of 10-15 local firms used to gain their opinion of the actual (or potential) effect upon them;
- the influence of external factors upon firms and draw conclusions.

19.4 A Case Study of an Entrepreneur

A study of the motivations, aptitudes and achievements of the proprietor of a business that has started up within the past five years. Candidates could consider:

- the business(es), its market and its competitors;
- the context and process of the business start-up;
- the proprietor's motivations through motivation theory;
- the extent to which the entrepreneur uses business methods such as cash flow forecasting and break-even analysis;
- the future of the business through a survey of its customers;
- the survey findings in relation to other evidence;
- the role and the rewards of being an entrepreneur.

19.5 An Advertising Project

Candidates should choose a new product which they believe would be popular. They will be expected to incorporate an appreciation of the marketing rationale behind the launch of the new product and be able to support their claim by reference to recognised data sources. They should present primary research to justify their choice of product and market, and provide a fully justified conclusion about the success of the advertising and the product. Candidates could consider:

- the product idea, its nice and its rationale;
- the market background: market size, market growth, competitors, consumer characteristics (age, sex, region, etc), distribution outlets plus forecasts of the future (as can be found in secondary sources such as Mintel, Retail Business (EIU) or Keynotes). Sources: a good business library, trade magazines such as “The Grocer” or “CTN”, or information on the Internet (especially BizEd on the Net);
- the market positioning, potential consumer resistance and the type of advertising needed (Persuasive? Informative?) from an analysis of the data;
- the potential of the idea, decide upon a suitable price and determine which media are watched/read/listened to by those who expressed interest in purchasing, based on evidence collected via a quantitative survey on a sample of at least 50 school/college students;
- which media to use, then cost out a suitable campaign using British Rate And Data (BRAD) to find the cost of the advertising proposed. (BRAD is available at most public libraries);
- whether it is worth proceeding with the idea before drawing conclusions and making a fully justified recommendation, considering the company’s objectives and how these are influenced by the business environment.

19.6 A SWOT Analysis of a Small to Medium-Sized Manufacturer

A report based on a factory visit and talks/presentations from any two of the following senior personnel: Chief Executive/Managing Director; Works Director/Manager; Sales/Marketing Director/Manager. The talks could involve the whole class and are best conducted at the workplace. Candidates could consider:

- the brief history of the firm and its reasons for its current location;
 - the firm’s main products, markets and competition; turnover trends (and profit, if possible) for the last five years;
 - the firm’s main strengths...;
 - ...weaknesses...;
 - ...opportunities...;
 - ...threats;
- each from the differing perspectives of the two speakers, and including every aspect of the business, as well as the candidate’s perceptions when looking round the plant;
- the conclusions drawn: Surprising? Predictable? Open to questions? Attractive to work? Why?

19.7 A Study of a Firm's Personnel Performance Indicators

This study requires candidates to undertake an analysis of a personnel issue such as absenteeism or labour turnover. Their investigations are likely to include a consideration of factors that can influence such performance indicators and any possible improvements that could be made in order to improve performance. Candidates could consider:

- the organisation and provide a brief explanation of it;
- the jobs undertaken and the rationale for the performance measures used;
- the methods used, and explain and analyse these methods;
- the meaning of the data;
- the trends shown by the data and draw conclusions;
- why these trends may have occurred and what improvements might be made.

19.8 A Study of a Firm's Export Performance and Prospects

A study of a local firm, using its export sales figures. Candidates should be prepared to analyse past performance and to evaluate the business success/failure in terms of the product, the market and the potential of the business. Candidates could consider:

- the business, its products, markets and competition;
- the share or total turnover that exports take (and trends over recent years);
- this share further, by product category and destination (trends over time);
- hypotheses, e.g. sales rising where the local currencies are strong/pound is weak;
- the reasons behind any identifiable trends following discussions with at least one key executive;
- implications for future company policy;
- the conclusions drawn, e.g. about the importance of exports for this firm compared with the national average.

Assessment Criteria

20.1 Introduction

The projects are assessed according to the following assessment criteria which conform to the Assessment Objectives (given in Section 6) and their weightings for this unit (shown in the table in Section 8.4). Given below are summaries of the elements under each criterion indicating the various aspects of project work that candidates should aspire to demonstrate.

Knowledge and Understanding (A01)

Understanding shown of appropriate terminology.
 Evidence that relevant data have been gathered.
 Evidence of understanding of theory.
 Effective organisation and presentation of information in numerical and diagrammatic forms.

Application of Knowledge/Methodology (A02)

Research objectives are made explicit.
 Appropriate background data presented to put the project into context.
 Relevant primary and secondary research conducted, justifying the choice of techniques and showing understanding of the strengths and weaknesses of each.
 Clear explanation of how, where, why and with whom the research was conducted.
 Selectivity in applying the findings to the project's objectives.

Analysis of Evidence (A03)

Appropriate use of theory to investigate a problem or situation.
 Identification of cause, effect and interrelationships.
 Breaking the material down to show underlying causes or problems.
 Use of appropriate techniques to analyse data.
 Interpreting individual findings within the context of the objectives of the project.

Synthesis (A04)

Building the parts/themes within the project into a connected whole.
 Developing a logical sequence of argument.
 Demonstrating clarity of expression through summarising an argument.

Evaluation (A04)

Informed comment on individual findings or evidence.
 Distinguishing between fact and opinion.
 Judgement of the wider issues and implications.
 Conclusions drawn from the evidence presented.

Quality of Written Communication

Clear and logical organisation and presentation of information, ideas, descriptions and arguments.
 Good use of grammar, punctuation and spelling.

20.2 Criteria

Organising the Assessment Objectives in this way is intended to enable teachers to adhere closely to the assessment criteria as the skills assessed by each criterion are closely related. It also allows the marking scheme for each criterion to follow a levels of response approach with each level's marking band spanning a maximum of 5 marks.

Each project should be marked as a whole (rather than as a sum of isolated parts) using the assessment criteria given above in the way detailed below.

Max. 16 marks		Knowledge and Understanding (AO1)
LEVEL 4	16 – 13 marks	Includes relevant materials, focused clearly on the project objective(s), fully explained and presented appropriately.
LEVEL 3	12 – 9 marks	Includes relevant material, fully explained and presented appropriately, but lacking focus.
LEVEL 2	8 – 5 marks	Includes relevant material, presented appropriately, showing understanding but lacking clarity, focus and depth.
LEVEL 1	4 – 1 marks	Includes some relevant materials and shows some understanding, but lacking clarity, focus and depth.
LEVEL 0	0 marks	Includes no relevant material.
Max. 16 marks		Application of Knowledge/Methodology (AO2)
LEVEL 4	16 – 13 marks	Clear evidence of relevant, valid research drawn from primary and secondary sources - showing a strong grasp of theory and the ability to comment critically on the methods used.
LEVEL 3	12 – 9 marks	Evidence of relevant, valid research drawn from primary and secondary sources.
LEVEL 2	8 – 5 marks	Clear evidence of relevant, valid research drawn from primary or secondary sources.
LEVEL 1	4 – 1 marks	Some evidence of relevant, valid research drawn from primary or secondary sources.
LEVEL 0	0 marks	No research in evidence.
Max. 16 marks		Analysis of Evidence (AO3)
LEVEL 4	16 – 13 marks	Substantial analysis of the data, selectively using various written and numerate techniques to identify causes and/or possible solutions and showing judgement in the techniques used.
LEVEL 3	12 – 9 marks	Analysis of the data, selectively using various written and numerate techniques to demonstrate insight and depth.
LEVEL 2	8 – 5 marks	Some analysis of the data, using various written and/or numerate techniques, showing some understanding but lacking insight and depth.
LEVEL 1	4 – 1 marks	Some analysis of the data presented, showing some understanding but neither insight nor depth.
LEVEL 0	0 marks	No analysis provided.

Max. 10 marks		Synthesis (AO4)
LEVEL 3	10 – 8 marks	The project's structure is well thought through, making it easy to follow the logic, the communication and the recommendations which draw together the most appropriate evidence and arguments.
LEVEL 2	7 – 4 marks	The project's structure is well thought through, making it easy to follow the logic, the communication and the recommendations.
LEVEL 1	3 – 1 marks	The project has a structure and is built into a connected whole.
LEVEL 0	0 marks	The project is unstructured and lacks coherence.
Max. 22 marks		Evaluation (AO4)
LEVEL 5	22 – 18 marks	Appropriate conclusions justified by the evidence, showing an awareness of the most relevant underlying themes or issues and their potential implications for the business concerned.
LEVEL 4	17 – 13 marks	Appropriate conclusions justified by the evidence, showing awareness of immediate and underlying themes or issues.
LEVEL 3	12 – 8 marks	Appropriate conclusions drawn from the evidence and justified.
LEVEL 2	7 – 4 marks	Appropriate conclusions which are partially supported by the evidence presented.
LEVEL 1	3 – 1 marks	An attempt at drawing conclusions, but based on hearsay or assertion rather than argument based on the evidence.
LEVEL 0	0 marks	No attempt to draw conclusions.
Max. 4 marks		Quality of Written Communication
<p>The GCSE and GCE A/AS Code of Practice requires the assessment of candidates' quality of written communication wherever they are required to write in continuous prose. In this unit, this assessment is made for the candidate's project as a whole according to the following marking criteria.</p>		
LEVEL 4	4 marks	Complex ideas are expressed clearly and fluently. Sentences and paragraphs follow on from one another smoothly and logically. Arguments are consistently relevant and well structured. There are few, if any, errors of grammar, punctuation and spelling.
LEVEL 3	3 marks	Moderately complex ideas are expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are generally relevant and well structured. There may be occasional errors of grammar, punctuation and spelling.
LEVEL 2	2 marks	Straightforward ideas are expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments may sometimes stray from the point or be weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas.
LEVEL 1	1 marks	Simple ideas are expressed clearly but arguments may be of doubtful relevance or obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive and may suggest a weakness in these areas.
LEVEL 0	0 marks	Ideas are expressed poorly and sentences and paragraphs are not connected. There are errors of grammar, punctuation and spelling, showing a weakness in these areas.

20.3 Evidence to Support the Award of Marks

Teachers should keep records of their assessments during the course, in a form which facilitates the complete and accurate submission of the final assessments at the end of the course.

When the assessments are complete, the marks awarded under each of the assessment criteria must be entered on the Candidate Record Form, with supporting information given in the spaces provided. A specimen Candidate Record Form appears in Appendix B; the exact design may be modified before the operational version is issued and the correct year's Candidate Record Forms should always be used.

21

Supervision and Authentication

21.1 Supervision of Candidates' Work

Candidates' work for assessment must be undertaken under conditions which allow the teacher to supervise the work and enable the work to be authenticated. If it is necessary for some assessed work to be done outside the centre, sufficient work must take place under direct supervision to allow the teacher to authenticate each candidate's whole work with confidence.

21.2 Guidance by the Teacher

The work assessed must be solely that of the candidate concerned. Any assistance given to an individual candidate which is beyond that given to the group as a whole must be recorded on the Candidate Record Form.

21.3 Unfair Practice

At the start of the course, the supervising teacher is responsible for informing candidates of the AQA Regulations concerning malpractice. Candidates must not take part in any unfair practice in the preparation of coursework to be submitted for assessment, and must understand that to present material copied directly from books or other sources without acknowledgement will be regarded as deliberate deception. Centres must report suspected malpractice to AQA. The penalties for malpractice are set out in the AQA Regulations.

21.4 Authentication of Candidates' Work

Both the candidate and the teacher are required to sign declarations confirming that the work submitted for assessment is the candidate's own. The teacher declares that the work was conducted under the specified conditions, and records details of any additional assistance.

Standardisation

22.1 Standardising Meetings

Annual standardising meetings will usually be held in the autumn term. Centres entering candidates for the first time must send a representative to the meetings. Attendance is also mandatory in the following cases:

- where there has been a serious misinterpretation of the specification requirements;
- where the nature of projects set by a centre has been inappropriate;
- where a significant adjustment has been made to a centre's marks in the previous examination series.

Otherwise attendance is at the discretion of centres. At these meetings support will be provided for centres in the development of appropriate projects and assessment procedures.

22.2 Internal Standardisation of Marking

The centre is required to standardise the assessments across different teachers and teaching groups to ensure that all candidates at the centre have been judged against the same standards. If two or more teachers are involved in marking projects, one teacher must be designated as responsible for internal standardisation. Common pieces of work must be marked on a trial basis and differences between assessments discussed at a training session in which all teachers involved must participate. The teacher responsible for standardising the marking must ensure that the training includes the use of reference and archive materials such as work from a previous year or examples provided by AQA. The centre is required to send to the moderator the Centre Declaration Sheet, duly signed, to confirm that the marking of centre-assessed work at the centre has been standardised. If only one teacher has undertaken the marking, that person must sign this form. A specimen Centre Declaration Sheet appears in Appendix B.

23

Administrative Procedures

23.1 Recording Assessments

The candidates' work must be marked according to the assessment criteria set out in Section 20.2. The marks and supporting information must be recorded in accordance with the instructions in Section 20.3.

The completed Candidate Record Form for each candidate must be attached to the work and made available to AQA on request.

23.2 Submitting Marks and Sample Work for Moderation

The total project mark for each candidate must be submitted to AQA on the mark sheets provided or by Electronic Data Interchange (EDI) by the specified date. Centres will be informed which candidates' work is required in the samples to be submitted to the moderator.

23.3 Problems with Individual Candidates

Teachers should be able to accommodate the occasional absence of candidates by ensuring that the opportunity is given for them to make up missed assessments.

Special consideration should be requested for candidates whose work has been affected by illness or other exceptional circumstances. Information about the procedure is issued separately.

If work is lost, AQA should be notified immediately of the date of the loss, how it occurred, and who was responsible for the loss. AQA will advise on the procedures to be followed in such cases.

Where special help which goes beyond normal learning support is given, AQA must be informed so that such help can be taken into account when assessment and moderation take place.

Candidates who move from one centre to another during the course sometimes present a problem for a scheme of internal assessment. Possible courses of action depend on the stage at which the move takes place. If the move occurs early in the course the new centre should take responsibility for assessment. If it occurs late in the course it may be possible to accept the assessments made at the previous centre. Centres should contact AQA at the earliest possible stage for advice about appropriate arrangements in individual cases.

23.4 Retaining Evidence and Re-Using Marks

The centre must retain the work of all candidates, with Candidate Record Forms attached, under secure conditions, from the time it is assessed, to allow for the possibility of an enquiry upon result. The work may be returned to candidates after the issue of results provided that no enquiry upon result is to be made which will include re-moderation of the centre-assessed unit. If an enquiry upon result is to be made, the work must remain under secure conditions until requested by AQA.

Candidates repeating the examination may carry forward their moderated mark for the centre-assessed unit once only and within a 12-month period.

Moderation

24.1 Moderation Procedures

Moderation of the coursework project is by inspection of a sample of candidates' work, sent by post from the centre to a moderator appointed by AQA. The centre marks must be submitted to AQA and the sample of work must reach the moderator by a specified date in the year in which the full A Level qualification is to be awarded.

Following the re-marking of the sample work, the moderator's marks are compared with the centre marks to determine whether any adjustment is needed in order to bring the centre's assessments into line with standards generally. In some cases it may be necessary for the moderator to call for the work of other candidates. In order to meet this possible request, centres must have available the project and Candidate Record Form of every candidate entered for the examination and be prepared to submit them on demand. Mark adjustments will normally preserve the centre's order of merit, but where major discrepancies are found, AQA reserves the right to alter the order of merit.

24.2 Post-Moderation Procedures

On publication of the GCE results, the centre is supplied with details of the final marks for the coursework project.

The candidates' work is returned to the centre after the examination. The centre receives a report giving feedback on the appropriateness of the tasks set, the accuracy of the assessments made, and the reasons for any adjustments to the marks.

Some candidates' work may be retained by AQA for archive purposes.

Awarding and Reporting

25

Grading, Shelf-Life and Re-Sits

25.1 Qualification Titles

The qualifications based on the specifications have the following titles:

AQA Advanced Subsidiary GCE in Business Studies

AQA Advanced Level GCE in Business Studies

25.2 Grading System

Both the AS and the full A Level qualifications will be graded on a five-grade scale: A, B, C, D and E. Candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.

Individual assessment unit results will be certificated.

25.3 Shelf-Life of Unit Results

The shelf-life of individual unit results, prior to the award of the qualification, is limited only by the shelf-life of the specification.

25.4 Assessment Unit Re-Sits

Each assessment unit may be re-sat once only. The better result will count towards the final award. Candidates may, however, re-sit the whole qualification more than once.

An AS result can be converted into a full A Level award by taking the A2 examination at any examination series when Business Studies is available.

Marks for individual AS or A2 units may be counted once only towards an AS and/or an A Level award.

25.5 Carrying Forward of Centre-assessed Marks

Candidates who wish to re-sit the whole qualification and carry-forward the mark for the centre-assessed unit must do so within a 12-month period of the original award.

25.6 Minimum Requirements

Candidates will be graded on the basis of work submitted for the award of the qualification.

25.7 Awarding and Reporting

The regulatory authorities, in consultation with GCE Awarding bodies, will develop a new GCE Code of Practice for new GCE qualifications to be introduced in September 2000. This specification will comply with the grading, awarding and certification requirements of the revised GCE Code of Practice for courses starting in September 2000.

Appendices

A

Grade Descriptions

The following grade descriptions indicate the level of attainment characteristic of the given grade at A Level. They give a general indication of the required learning outcomes at each specified grade. The descriptions should be interpreted in relation to the content outlined in this specification; they are not designed to define that content.

The grade awarded will depend in practice upon the extent to which the candidate has met the Assessment Objectives (given in Section 6) overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

- Grade A** Candidates will demonstrate in-depth knowledge and critical understanding of a wide range of business theory and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, problems and issues, using appropriate numerical and non-numerical techniques accurately. They will effectively evaluate evidence and arguments, making reasoned judgements to present appropriate and supported conclusions.
- Grade C** Candidates will demonstrate knowledge and understanding of a range of business theory and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, problems and issues. They will use both numerical and non-numerical techniques. They will evaluate evidence and arguments to present reasoned conclusions.
- Grade E** Candidates will demonstrate knowledge and understanding of a limited range of business theory and concepts. They will show some ability to use this knowledge and understanding in order to analyse familiar and unfamiliar situations, problems and issues. They will make some use of both numerical and non-numerical techniques. Candidates' evaluation of evidence and arguments will be limited.

B

Record Forms



Centre-assessed work Candidate Record Form

A Level Business Studies BU5C

Centre Name

Centre No.

--	--	--	--	--

Candidate Name

Candidate No.

--	--	--	--	--

This side is to be completed by the candidate.

Sources of advice and information

1. Have you received any help or information from anyone other than your subject teacher(s) in the production of this work? (Write YES or NO)
2. If you have answered YES, give details. Continue on a separate sheet if necessary.
.....
3. If you have used any books, information leaflets or other materials (e.g. videos, software packages or information from the Internet) to help you complete this work, you must list these below unless they are clearly acknowledged in the work itself. To present material copied from books or other sources without acknowledgement will be regarded as deliberate deception.
.....
.....

NOTICE TO CANDIDATE

The work you submit for assessment must be your own.

If you copy from someone else or allow another candidate to copy from you, or if you cheat in any other way, you may be disqualified from at least the subject concerned.

Declaration by candidate

I have read and understood the Notice to Candidate (above). I have produced the attached work without any help apart from that which I have stated on this sheet.

Signed Date

(Candidate)

This form should be completed and attached to the candidate's work and retained at the Centre or sent to the moderator as required.

This side is to be completed by the teacher.

Marks must be awarded in accordance with the instructions and criteria in Section 20 of the specification.

Supporting information to show how the marks have been awarded should be given either in the form of annotations on the candidate's work or in the spaces provided below.

Please complete the boxes to show the marks awarded and use the spaces to make any summative comments which seem appropriate.

Criteria for award of marks	Max. mark	Mark awarded	Teacher's supporting statement
Knowledge and Understanding	16		
Application of Knowledge/Methodology	16		
Analysis of Evidence	16		
Synthesis	10		
Evaluation	22		
Quality of Written Communication	4		

Total	84	
--------------	----	--

Concluding Comments

Details of additional assistance given (if any)

Record here details of any assistance given to this candidate which is beyond that given to the class as a whole and beyond that described in the specification. Continue on a separate sheet if necessary.

Teacher's signature Date



Centre-assessed work Centre Declaration Sheet June 2002

Specification Title Unit Code

Centre Name..... Centre No.

--	--	--	--	--

Authentication

This is to certify that marks have been awarded in accordance with the requirements of the specification and that every reasonable step has been taken to ensure that the work presented is that of the candidates named. Any assistance given to candidates beyond that given to the class as a whole and beyond that described in the specification has been recorded on the Candidate Record Form(s) and has been taken into account. The marks given reflect accurately the unaided achievement of the candidates.

Signature(s) of teacher(s) responsible for assessment

Teacher 1 Teacher 2

Teacher 3 Teacher 4

Teacher 5 Teacher 6

(continue overleaf if necessary)

Internal standardisation of marking

Each centre must standardise the assessments for this unit across different teachers and teaching groups to ensure that all candidates at the centre have been judged against the same standards. If two or more teachers are involved in marking a unit, one of them must be designated as responsible for standardising the marking of all teachers at the centre who mark that unit.

The following declaration must be signed by the teacher responsible for ensuring standardisation. If all the work has been marked by the same person, that person should sign below.

I confirm that

- (a) * I have marked the work of all candidates for this unit.
- (b) * the procedure described in the specification has been followed at this centre to ensure that the marking is of the same standard for all candidates.
(*delete as applicable)

Signed Date

Signature of Head of Centre Date

This form should be completed and sent to the moderator with the sample of centre-assessed work.

C

Overlaps with other Qualifications

GCE Advanced Subsidiary in Accounting

Some of the content in Modules 2, 3 and 4 overlaps with the Accounting and Finance content in Module 1 and 4 in the Business Studies specification. This allows opportunities for co-teaching AS Accounting alongside A Level Business Studies.

Advanced GNVQ Business

Some units within the GNVQ include some skills and/or subject content which overlap with that in the Business Studies specification.

To enable co-teaching of the AS/A2 and GNVQ to take place, or to enable transfer between AS/A Level/GNVQ courses, assessment units which include material which can be linked with the requirements of GCE and GNVQ are listed below.

While candidates may transfer from GCE to GNVQ courses and from GNVQ to GCE courses, there is no *credit transfer* provision between GCE Advanced Subsidiary/Advanced Level and the Advanced GNVQ. No marks or grades relating to the assessment of completed units can be transferred.

Links with GNVQ Mandatory Units

Unit 3 – Marketing

GCE Modules 1 and 4	Marketing
---------------------	-----------

Unit 4 – Human Resources

GCE Modules 2 and 5	Human Resource Management
---------------------	---------------------------

Unit 5 – Finance

GCE Modules 1 and 4	Accounting and Finance
---------------------	------------------------

Unit 6 – Business Planning

GCE Modules 3 and 6	Objectives and Strategy
---------------------	-------------------------

Links with draft AQA GNVQ Optional Units

Unit 7 – Managing Production

GCE Module 2	Productive Efficiency
--------------	-----------------------

Unit 8 – Business Law

GCE Module 3	External Influences
--------------	---------------------

Unit 10 – Training and Development

GCE Module 2	Human Resource Management
--------------	---------------------------

Unit 13 – Introduction to Management

GCE Module 2	People and Operations Management
--------------	----------------------------------

Unit 16 – Market Research

GCE Module 1	Marketing
--------------	-----------

Unit 17 – Business Statistics

GCE Modules 1 and 4	Market Analysis
---------------------	-----------------

Unit 19 – Introduction to Management Accounts

GCE Modules 1 and 4	Accounting and Finance
---------------------	------------------------

Unit 20 – The Social Costs and Benefits of Business Activity

GCE Modules 3 and 6	Social and Other Opportunities and Constraints
---------------------	--

Unit 21 – Trading in International Markets

GCE Module 6	External Influences
--------------	---------------------

Unit 22 – Business and The European Union

GCE Module 6	External Influences
--------------	---------------------

Unit 23 – Production and Employment

GCE Module 2	Productive Efficiency
--------------	-----------------------

Unit 24 – Health and Safety

GCE Module 3	External Influences
--------------	---------------------

Other Level 3 Qualifications

There are no other Level 3 qualifications for which there is any significant overlap with the Business Studies specification.