

# OCR ADVANCED SUBSIDIARY GCE IN BUSINESS STUDIES (3811)

## OCR ADVANCED GCE IN BUSINESS STUDIES (7811)

### Foreword

This booklet contains OCR Advanced Subsidiary (AS) and Advanced GCE (A Level) Business Studies specifications for teaching from September 2000.

The Advanced Subsidiary GCE is assessed at a standard appropriate for candidates who have completed the first year of study of a two year Advanced GCE course i.e. between GCSE and Advanced GCE. It forms the first half of the Advanced GCE course in terms of teaching time and content. When combined with the second half of the Advanced GCE course, known as 'A2', the AS forms 50% of the assessment of the total Advanced GCE. However, the AS can be taken as a 'stand-alone' qualification. A2 is weighted at 50% of the total assessment of the Advanced GCE.

The first year of certification of the OCR Advanced Subsidiary GCE in Business Studies is 2001.

The first year of certification of the OCR Advanced GCE in Business Studies is 2002.

In these specifications the term **module** is used to describe specified teaching and learning requirements. The term **unit** describes a unit of assessment.

Each teaching and learning module is assessed by its associated unit of assessment.

These specifications meet the requirements of the *Common Criteria* (Qualifications and Curriculum Authority, 1999), the *GCE Advanced Subsidiary and Advanced Level Qualification-Specific Criteria* (Qualifications and Curriculum Authority, 1999) and the relevant Subject Criteria (Qualifications and Curriculum Authority, 1999).

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# OCR ADVANCED SUBSIDIARY GCE IN BUSINESS STUDIES (3811)

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### SPECIFICATION SUMMARY

#### Outline

These specifications encourage candidates to develop a critical understanding of organisations, the context in which they operate, the markets they serve and the process of adding value and achieve this by enabling Centres to devise courses which take a problem-solving approach to Business Studies.

#### Scheme of Assessment

The Advanced Subsidiary GCE forms 50% of the assessment weighting of the full Advanced GCE. Advanced Subsidiary GCE is assessed at the standard expected to be reached at the end of the first year of a two year Advanced GCE course and can be taken as a stand-alone specification or as the first half of the full Advanced GCE course.

Assessment is by means of 3 Units of Assessment for Advanced Subsidiary GCE and 6 Units of Assessment for Advanced GCE.

Advanced Subsidiary GCE      Candidates take Units 2871, 2872 and 2873.

Advanced GCE                      Candidates take Units 2871, 2872, 2873 and 2880  
plus **one** of Units 2874, 2875, 2876 or 2877  
and **either** Unit 2878 or Unit 2879.

## Units of Assessment

Unit	Level	Name of unit	Duration	Mode of Assessment	Weighting	
					AS	Advanced GCE
2871	AS	Businesses, Their Objectives and Environment	1 hr 15 mins	Written	30%	15%
2872	AS	Business Decisions	1 hr 15 mins	Written	30%	15%
2873	AS	Business Behaviour	1 hr 30 mins	Written	40%	20%
		Options ( <i>One from</i> ):				
2874	A2	Further Marketing	1 hr 30 mins	Written	-	15%
2875	A2	Further Accounting and Finance	1 hr 30 mins	Written	-	15%
2876	A2	Further People in Organisations	1 hr 30 mins	Written	-	15%
2877	A2	Further Operations Management	1 hr 30 mins	Written	-	15%
2878	A2	Business Project	-	Coursework	-	15%
2879	A2	Business Thematic Enquiry	1 hr 30 mins	Written	-	15%
2880	A2	Business Strategy	2 hours	Written	-	20%

Candidates take one of Units 2874, 2875, 2876 or 2877.

Candidates take either Unit 2878 or Unit 2879.

## Question Paper Requirements

### Advanced Subsidiary (AS) Units

**Unit 2871, Businesses, Their Objectives and Environment.** A written paper of 1 hour 15 minutes' duration. Two compulsory questions based on an unseen case study.

**Unit 2872, Business Decisions.** A written paper of 1 hour 15 minutes' duration. Two compulsory data response questions.

**Unit 2873, Business Behaviour.** A written paper of 1 hour 30 minutes' duration. Four compulsory questions based on a pre-issued case study.

### A2 Units

**Unit 2874, Further Marketing; Unit 2875, Further Accounting and Finance; Unit 2876, Further People in Organisations; Unit 2877, Further Operations Management.** Each of these units is examined by means of a written paper of 1 hour 30 minutes' duration based on an unseen case study. Two compulsory questions test candidates' understanding of the option in the context of the course as a whole.

**Unit 2879, The Business Thematic Enquiry.** A written paper of 1 hour 30 minutes' duration, based upon an unseen case study. The central theme of the case study is known to teachers in advance in order to permit preparatory study around that theme. Candidates are expected to write a report.

**Unit 2880, Business Strategy.** A written paper of 2 hours' duration based on a pre-issued case study. Four compulsory questions designed to test candidates' understanding of, and ability to analyse and evaluate, the

connections between the different elements of the subject. This unit satisfies the synoptic assessment requirements.

Marks will be awarded in all units for the assessment of written communication.

## Coursework requirements

There are no compulsory coursework requirements. The coursework Unit 2878 is an alternative to Unit 2879.

**Unit 2878, Business Project.** A Project of about 4000 words based on a combination of direct investigation and use of business knowledge. The Business Project is internally marked and externally moderated by OCR.


## Key Skills

Key Skills signposting appears in three sections of OCR specifications:

- (1) *Key Skills Coverage* – the matrix aids curriculum managers in mapping the potential Key Skills coverage within each OCR Advanced Subsidiary/Advanced GCE specification.
- (2) *Specification Content (section 5)* – the specific evidence references enable subject teachers to identify opportunities for meeting specific Key Skills evidence requirements within the modules they are delivering.
- (3) *Appendix A* – provides guidance to teachers in trying to identify those parts of their normal teaching programme which might most appropriately be used to develop or provide evidence for the Key Skills signposted.

These specifications provide opportunities for the development of the Key Skills of *Communication, Application of Number, Information Technology, Working With Others, Improving Own Learning and Performance* and *Problem Solving* as required by QCA's subject criteria for Business Studies.

Through classwork, coursework and preparation for external assessment, candidates may produce evidence for Key Skills at Level 3. However, the extent to which this evidence fulfils the requirements of the QCA Key Skills specifications at this level will be dependent on the style of teaching and learning adopted for each module. In some cases, the work produced may meet the evidence requirements of the Key Skills specifications at a higher or lower level.

Throughout section 5 the symbol  is used in the margin to highlight where Key Skills development opportunities are signposted. The following abbreviations are used to represent the above Key Skills:

C = Communication

N = Application of Number

IT = Information Technology

WO = Working with Others

LP = Improving Own Learning and Performance

PS = Problem Solving

These abbreviations are taken from the QCA Key Skills specifications for use in programmes starting from September 2000. References in section 5 and Appendix A, for example **IT3.1**, show the Key Skill (IT), the level (3) and subsection (1).

Centres are encouraged to consider the OCR Key Skills scheme to provide certification of Key Skills for their students.

## Key Skills Coverage

For each module, the following matrix indicates those Key Skills for which opportunities for at least some coverage of the relevant Key Skills specifications exist.

	Communication	Application of Number	IT	Working with Others	Learning Performance	Problem Solving
	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3
Module						
2871	✓		✓		✓	
2872	✓	✓	✓	✓	✓	✓
2873	✓	✓	✓	✓	✓	✓
2874	✓	✓	✓	✓	✓	
2875	✓	✓	✓		✓	✓
2876	✓		✓	✓	✓	
2877	✓	✓			✓	
2878	✓	✓	✓	✓	✓	✓
2879	✓	✓	✓	✓	✓	✓
2880	✓				✓	

## Overlap with other qualifications

There is some overlap between these Business Studies specifications and

- (i) OCR Advanced Subsidiary GCE and Advanced GCE in Accounting;
- (ii) OCR Advanced GNVQ in Business.

Further details are given in Section 1.3.





# 1 Introduction

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These OCR specifications lead to qualifications at Advanced Subsidiary GCE and Advanced GCE in Business Studies.

Certification for Advanced Subsidiary GCE in Business Studies requires that candidates are assessed in the three compulsory Units which comprise the Advanced Subsidiary GCE course. Certification for Advanced GCE Business Studies requires that, in addition to the Advanced Subsidiary Units, candidates are assessed in a further three A2 Units.

The specifications build upon the broad educational framework supplied by the Advanced Subsidiary GCE and Advanced GCE Business Studies Subject Criteria (QCA 1999) and employ an investigative and problem-solving approach to the study of the subject. In addition to providing a suitable route for progression for candidates of GCSE Business Studies, the course of study prescribed by these specifications can also reasonably be undertaken by candidates beginning their formal education in the subject at post 16 level. Progression through the Advanced Subsidiary GCE and Advanced GCE provides a suitable foundation for study of the subject, or for related courses, in further and higher education.

The fundamental philosophy of the specifications is that the study of Business Studies requires an integrated approach at all stages of the course. This approach is aided by the unitary design of the specification which allows for the integration of a clear and logical focus together with a maturation of understanding. The Advanced Subsidiary GCE establishes a firm foundation for an extended study of the subject in the three additional A2 Units required for the award of Advanced GCE.

Of the three A2 modules required to be studied for Advanced GCE, the Business Strategy module (2880) is compulsory. This module draws elements studied in other modules into a cohesive whole, thus promoting and ensuring an integrated and holistic approach to the study of the specification. The optional modules provide candidates with the opportunity to focus upon areas of the specification of particular interest to themselves and to extend their knowledge and critical understanding of these areas. The Business Project (module 2878) and the Business Thematic Enquiry (module 2879) provide opportunities for candidates to engage in self-directed and self-controlled work which has the potential to develop their skills and enrich their study of the whole course.

The specifications require an approach which views business behaviour from a variety of perspectives. The interests of all stakeholders are incorporated into the study of the subject, as are issues relating to the protection of our environment and the maintenance of ethical standards. All modules are studied in the context of dynamic organisations, with strong emphasis on local businesses. The compulsory Units require emphasis to be placed on the local, national and international environment. Ethical considerations are a constituent of all modules, as is care for the environment.

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## 1.1 Certification Title

These specifications will be shown on a certificate as:

- OCR Advanced Subsidiary GCE in Business Studies.
- OCR Advanced GCE in Business Studies.

## 1.2 Language

These specifications and associated assessment materials are available in English only.

## 1.3 Overlap with Other Qualifications

### OCR Advanced GCE Accounting

OCR AS/Advanced GCE Business Studies overlaps with OCR AS/Advanced GCE Accounting as follows:

<b>AS/Advanced Business Studies</b>	<b>AS/Advanced GCE Accounting</b>
<b>(Modules 2872 and 2873)</b>	
Budgets	Module 2503 Budgeting and Budgetary Control
Costs Analysis	Module 2503 Standard Costing and Variance
Final Accounts	Module 2502 Preparation of Final Accounts
Investment Decisions	Module 2500 Introduction to Costing and Decision Making
<b>(Module 2875)</b>	
Accounting Perspective	Module 2500 The Role of Accounting
Accounting Concepts	Module 2500 Accounting Concepts and Conventions
Sources of Finance	Module 2501 Organisations and Finance
Budgets	Module 2503 Budgeting and Budgetary Control
Costs Analysis	Module 2503 Standard Costing and Variance
Final Accounts	Module 2502 Preparation of Final Accounts
Investment Decisions	Module 2500 Introduction to Costing and Decision Making

### OCR Advanced GNVQ Business Units

The following Advanced GNVQ Business units have a significant overlap of content with the OCR AS/Advanced GCE in Business Studies:

Unit 7226: The competitive business environment

Unit 7227: Marketing

Unit 7228: Human Resources

Unit 7229: Finance

Unit 7245: Business Law

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## 1.4 Exclusions

Candidates who enter for this Advanced Subsidiary GCE specification may **not** also enter for any other Advanced Subsidiary GCE specification with the certification title Business Studies or Business Studies and Economics in the same examination series.

Candidates who enter for this Advanced GCE specification may **not** also enter for any other Advanced GCE specification with the certification title Business Studies or Business Studies and Economics 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 these specifications is 3210.

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## 1.5 Code of Practice requirements

These specifications will comply in all respects with the revised Code of Practice requirements for courses starting in September 2000.

## 2 Specification Aims

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The aims of these Advanced Subsidiary GCE and Advanced GCE specifications are to encourage candidates to:

- develop a critical understanding of organisations, the markets they serve and the process of adding value. This involves 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 customer, manager, creditor, owner/shareholder and employee, and that Business Studies draws on a variety of disciplines. Students should understand that these perspectives and disciplines are interrelated;
- demonstrate understanding of the economic, environmental, ethical and international issues which arise in the processes of business behaviour and be able to interpret and evaluate the significance of these issues;
- acquire a range of skills including the ability to make decisions in the light of evaluation and, where appropriate, the quantification and management of information.

To this end, the specifications encourage courses which will:

- develop knowledge and critical understanding of the way businesses are organised, structured, financed and operated;
- develop knowledge and critical awareness of the local, national and international contexts in which businesses operate;
- encourage and assist candidates to understand business structure and behaviour, as well as problems which arise and decisions which are made, from the perspectives of all of the major stakeholders;
- encourage a critical approach to business behaviour in terms of opportunity and social costs and ethical considerations;
- enable candidates to appreciate the importance of working with others and contributing to the work of teams and, through the course, to gain personal experience of this and develop their skills;
- develop critical understanding of the ways in which factor inputs are processed to obtain product outputs with added value;
- by direct experience and observation of the working world, particularly at a local level, promote critical understanding of the co-operation and inter-dependence which participation in society entails;
- develop skills of communication, including those implicit in quality of written communication, and application of number and the ability to use these in investigation, in decision-making and in problem-solving situations;
- develop knowledge and competence in the use of language, concepts, conventions, techniques, theories and decision-making processes appropriate to and used within business behaviour;
- develop skills of primary research, presentation of data, analysis and evaluation;

- develop knowledge and critical understanding of the contribution which information technology can make to every aspect of the study of Business Studies and develop skills of using information technology and applying it where it is relevant and appropriate;
- develop awareness of the nature and significance of change within the context of business and of ways in which response to change can be enabled.

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## 2.1 Spiritual, Moral, Ethical, Social and Cultural Issues

It is expected that, in all aspects, these specifications will be presented in ways which give scope for perspectives on control and direction of the business environment, the relationship between business organisations, and behaviour within organisations, which include the spiritual and moral dimension. This is particularly appropriate in considering the ways in which relationships between businesses are managed, the management and use of human and financial resources and the ways in which goods and services are marketed.

The variety of assessment methods gives individual candidates scope to develop understanding of the spiritual, moral, ethical, social and cultural issues which are explicit or implicit in business situations and the marking strategy will reward presentation and discussion of these issues as appropriate to the questions asked. (See 'other influences' in module 2871 and 'external influences' in module 2880).

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## 2.2 Environmental Education

Environmental issues are considered within areas such as technological change (Module 2871), stock control - reducing waste (Modules 2872 and 2873), and constraints on production - pollution control and environmental protection (Module 2877).

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## 2.3 European Dimension

The European Union (EU) is specifically mentioned at several points in the specifications and implied in others; for example, interpreting the market in the context of a particular business may well require reference to the European or the world markets.

The implications of membership of the EU with respect to industrial relations are covered in Further People in Organisations (Module 2876) and the Health and Safety issues in the compulsory modules.

The Employer/Employee section of Module 2876 covers implications of EU membership and implications of issues such as the Social Chapter working time directive.

## **2.4 Health and Safety Issues**

Health and Safety issues are specifically considered within the constraints on production section of Module 2877 - health and safety, food safety.

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## **2.5 Avoidance of Bias**

OCR has taken great care in the preparation of these specifications and assessment materials to avoid bias of any kind.

### 3 Assessment Objectives

This section provides a general indication of the abilities which the units of assessment in Business Studies are designed to test in conjunction with the subject matter listed in the Specification Content. It is not suggested that clear distinctions can always be drawn in constructing examination questions. A particular question may therefore test more than one skill.

These specifications require that candidates demonstrate the following assessment objectives in the context of the content and skills prescribed.

Candidates should be able to:

- AO1 demonstrate knowledge and understanding of the content specified in the module;
- AO2 apply this knowledge and understanding to problems and issues arising from familiar and unfamiliar situations;
- AO3 analyse problems, issues and situations;
- AO4 evaluate, distinguishing between fact and opinion, and assessing information from a variety of sources.

The assessment objectives are weighted as follows:

	Advanced Subsidiary	A2	Advanced GCE
AO1	30.0%	20.0%	25.0%
AO2	26.5%	23.5%	25.0%
AO3	23.5%	26.5%	25.0%
AO4	20.0%	30.0%	25.0%

#### 3.1 Specification Grid

The relationship between assessment objectives and the units of assessment is shown in the specification grid below.

Unit of Assessment	Level	Percentage of Advanced GCE				Total
		AO1	AO2	AO3	AO4	
2871	AS	4.5	4	3.5	3	15
2872	AS	4.5	4	3.5	3	15
2873	AS	6	5.25	4.75	4	20
Each of 2874 -2877	A2	3	3.5	4	4.5	15
2878 or 2879	A2	3	3.5	4	4.5	15
2880	A2	4	4.75	5.25	6	20
Total		25	25	25	25	100

## 3.2 Quality of Written Communication

Quality of written communication is assessed in respect of each of the Units, as each Unit includes opportunities for candidates to answer in continuous prose.



## 4 Scheme of Assessment

Candidates take three units for Advanced Subsidiary GCE, followed by three units at A2 if they are seeking an Advanced GCE award.

### Units of Assessment

Unit	Level	Name of unit	Duration	Mode of Assessment	Weighting	
					AS	Advanced GCE
2871	AS	Businesses, Their Objectives and Environment	1 hr 15 mins	Written	30%	15%
2872	AS	Business Decisions	1 hr 15 mins	Written	30%	15%
2873	AS	Business Behaviour	1 hr 30 mins	Written	40%	20%
2874	A2	Options ( <i>One from</i> ): Further Marketing	1 hr 30 mins	Written	-	15%
2875	A2	Further Accounting and Finance	1 hr 30 mins	Written	-	15%
2876	A2	Further People in Organisations	1 hr 30 mins	Written	-	15%
2877	A2	Further Operations Management	1 hr 30 mins	Written	-	15%
2878	A2	Business Project	-	Coursework	-	15%
2879	A2	Business Thematic Enquiry	1 hr 30 mins	Written	-	15%
2880	A2	Business Strategy	2 hours	Written	-	20%

### Rules of Combination

Candidates must take the following combination of units.

Advanced Subsidiary GCE      Units 2871, 2872 and 2873.

Advanced GCE                      Units 2871, 2872, 2873 and 2880

plus **one** from Units 2874, 2875, 2876 or 2877 and

**either** Unit 2878 **or** Unit 2879.

### Unit Availability

There are two Unit sessions each year, in January and June.

The availability of Units is shown below.

Unit	Unit title	Jan 2001	June 2001	Jan 2002	June 2002
2871	Businesses, Their Objectives and Environment	✓	✓	✓	✓
2872	Business Decisions	✓	✓	✓	✓
2873	Business Behaviour	✓	✓	✓	✓
2874	Options (one of): Further Marketing			✓	✓
2875	Further Accounting and Finance			✓	✓
2876	Further People in Organisations			✓	✓
2877	Further Operations Management				
2878	Business Project			✓	✓
2879	Business Thematic Enquiry			✓	✓
2880	Business Strategy			✓	✓

**In 2001 only the Advanced Subsidiary (AS) units will be available as shown in the table above.**

**The availability shown for 2002 will be the same for subsequent years.**

### Sequence of Units

The normal sequence in which the units could be taken is Units 2871, 2872 and 2873 leading to an Advanced Subsidiary GCE award. Candidates could then take **one** from Units 2874, 2875, 2876 or 2877, followed by either Unit 2878 or 2879, together with unit 2880, the synoptic Unit, leading to an Advanced GCE award.

### Synoptic Assessment

Synoptic assessment accounts for 20% of the total Advanced GCE marks and is entirely contained within assessment Unit 2880. Unit 2880 brings together all aspects of the AS and A2 study except those contained within the optional Units 2874-2877. Its purpose is to ensure that candidates have a good understanding of the subject as a whole and are able to address issues within the subject from a range of perspectives and in an integrated way. The emphasis is on strategic understanding and on the ability to draw evidence together from any relevant areas of the syllabus. Assessment focuses on the breadth, depth and quality of the candidate's analysis and evaluation.

Unit 2880 must be taken at the end of the course leading to an Advanced GCE award.

### Aggregation

Candidates may enter for:

- Advanced Subsidiary GCE aggregation;

- Advanced Subsidiary GCE aggregation, bank the result, and complete the A2 assessment at a later date;
- Advanced GCE aggregation.

Candidates must enter the appropriate Advanced Subsidiary and A2 Units to qualify for the full Advanced GCE award.

Individual Unit results prior to certification of the qualification have a shelf life limited only by that of the qualification.

#### **Re-sits of Units**

Candidates are permitted to re-sit all Units once only before seeking an Advanced Subsidiary GCE or Advanced GCE award, and the better result will count.

#### **Re-sits of Advanced Subsidiary GCE and Advanced GCE**

Candidates may retake the whole qualification more than once.

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## **4.1 Question Papers**

### **4.1.1 Advanced Subsidiary**

#### **Unit 2871: Businesses, Their Objectives and Environment (1 hour 15 minutes) (60 marks)**

The question paper consists of two compulsory questions, each directly related to the unseen case study.

#### **Unit 2872: Business Decisions (1 hour 15 minutes) (60 marks)**

The question paper consists of two compulsory questions based upon unseen data response material. The question paper assumes candidates' knowledge of teaching module 2871.

#### **Unit 2873: Business Behaviour (1 hour 30 minutes) (80 marks)**

The question paper consists of four compulsory questions each directly related to a pre-issued case study. The question paper assumes candidates' knowledge of teaching module 2871.

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### **4.1.2 A2**

Candidates choose to be examined in **one** of the Units below:

**Unit 2874 Further Marketing (1 hour 30 minutes) (60 marks)**

**Unit 2875 Further Accounting and Finance (1 hour 30 minutes) (60 marks)**

**Unit 2876 Further People in Organisations (1 hour 30 minutes) (60 marks)**

**Unit 2877 Further Operations Management (1 hour 30 minutes) (60 marks)**

In these Units candidates are expected to demonstrate an analytical and evaluative approach to:

(a) the AS core as previously studied in teaching modules 2871, 2872 and 2873;

(b) the content of the specification for the selected option.

In each of these units, the question paper is based on unseen case studies. Each paper consists of two compulsory questions.

**Unit 2878 Business Project.** See section 4.2: Coursework.

**Unit 2879 Business Thematic Enquiry (1 hour 30 minutes) (90 marks)**

The assessment is based upon a report related to an unseen case study. The report focuses on a pre-issued theme which allows candidates to use knowledge from many parts of the specification. Candidates are expected to blend their knowledge, gained from local study, with the evidence provided by the case study in writing the report. The report must demonstrate problem solving and evaluative skills. No materials of any kind may be taken in to the examination room.

**Unit 2880 Business Strategy (2 hours ) (80 marks)**

Unit 2880 is a compulsory and entirely synoptic Unit. It assesses the ability of candidates to use, explain, analyse and evaluate the whole of the subject core. It requires candidates to think in an integrated and strategic way about the way businesses operate and the way they react to changes in parameters both within and outside the business.

The question paper consists of three questions designed to test candidates' understanding of the connections between the different elements of the subject, giving the opportunity for integrated responses. The questions are set on a pre-issued case study.

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## 4.2 Coursework

**Unit 2878 Business Project (90 marks)**

Unit 2878 (Business Project) requires the investigative study of a specified business problem or decision bringing both research findings and theoretical understanding to bear on that problem. The assessment requires a report of about 4000 words on the findings of the investigation which seeks to offer a solution.

The report must be based on a combination of direct investigation and use of business knowledge acquired.

Candidates' communication skills and ability to use number appropriately form part of the assessment of the Project.

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#### 4.2.1 Assessment and Moderation

The Business Project (Unit 2878) is internally marked by the teacher and internally standardised by the Centre. Marks are then submitted to OCR by a specified date, after which postal moderation takes place in accordance with OCR procedures.

All loose-leaf sheets must be numbered and fastened together and a cover sheet attached. The work should be secured inside a soft plain cardboard folder (**not a stiff ring binder file**). Each folder should be clearly labelled with the name and number of the Centre, the candidate's name and number and the title of the Project. Projects should **not** be submitted on disk.

Although Projects submitted for moderation will normally be returned to Centres as soon as possible, candidates **must** keep a copy of their work.

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#### 4.2.2 Minimum Coursework Requirements

If a candidate has entered for Unit 2878 but submits no work for that Unit, then the candidate should be indicated as being absent from that Unit on the coursework mark sheets submitted to OCR. If a candidate completes any work at all for Unit 2878 then the work should be assessed according to the mark descriptors and marking instructions and the appropriate mark awarded, which may be 0 (zero).

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#### 4.2.3 Authentication

As with all coursework, the teacher must be able to verify that the work submitted for assessment is the candidate's own work. Sufficient work must be carried out under direct supervision to allow the teacher to authenticate the coursework marks with confidence.

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### 4.3 Special Arrangements

For candidates who are unable to complete the full assessment or whose performance may be adversely affected through no fault of their own, Centres should consult the *Inter-Board Regulations and Guidance Booklet for Special Arrangements and Special Consideration*. In

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such cases advice should be sought from OCR as early as possible during the course. Applications for special consideration in coursework units should be accompanied by Coursework Assessment Forms giving the breakdown of marks for each criterion.

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## 4.4 Differentiation

In the question papers, differentiation is achieved by setting questions which are designed to assess candidates at their appropriate levels of ability and which are intended to allow all candidates to demonstrate what they know, understand and can do.

In coursework, differentiation is by task and by outcome. Candidates undertake assignments which enable them to display positive achievement.

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## 4.5 Awarding of Grades

The Advanced Subsidiary has a weighting of 50% when used in an Advanced GCE award. Advanced GCE awards are based on the aggregation of the weighted Advanced Subsidiary (50%) and A2 (50%) marks.

Both Advanced Subsidiary GCE and Advanced GCE qualifications are awarded on the scale A-E and U (unclassified).

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## 4.6 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 the 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 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.

## 5 Specification Content

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These specifications are set out in the form of teaching modules. Each teaching module is assessed by its associated unit of assessment.

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### 5.1 Module 2871: Businesses, Their Objectives and Environment



C3.1a, C3.2, C3.3; IT3.1, IT3.3

LP3.1, LP3.2

This module considers the external business environment which affects the way in which businesses operate. The emphasis in the delivery should be on the strategic importance of clear objectives. In particular, there should be an awareness of how the business environment provides opportunities and imposes constraints on the pursuit of short-term and long-term objectives.

This module should be studied within the context of local, national and international constraints on business structure, objectives and environment.

Where appropriate within this module, candidates are expected to acquire an awareness and understanding of the applications and limitations of Information and Communications Technology (ICT). Candidates should therefore be given opportunities throughout this module to make use of relevant ICT applications.

#### The Nature of Business

What businesses do	Meet the needs of stakeholders; customers, managers, creditors, owners/shareholders and employees.
What businesses need	Sources of finance, labour, customers, suppliers, organisation; co-ordinating behavioural activities.
Accountability	To owners and other stakeholders.

#### Classification of Business

Economic sector	Primary, secondary, tertiary.
Size	Typical measures, e.g. turnover, profit, employees.
Legal structure	Sole trader, partnership, private limited company, public limited company.
Ownership	Public and private ownership.



**Objectives**

Corporate objectives      The central nature and role of objectives at corporate and departmental level. Different types of objectives and their changing nature. Risk, reward and ownership.

**Objectives and strategic**

planning      Methods of business analysis, SWOT and its use in diagnosis. How objectives influence corporate behaviour.

Stakeholder objectives      How stakeholder objectives, including Government macro economic objectives affect the behaviour and decisions of the firm.

**External Influences**

The market      The interaction of supply and demand, equilibrium, effects of excesses, allocation of resources, impact of competition.

Interest & exchange rates      Impact of changes on level on the firm and its market unemployment and inflation.

Taxation      Types and changes in rates of taxation and their impact upon the market.

Business cycle      Changes in level of economic activity at local, national and international level.

**Other influences**

Technological change      Opportunities and threats of technology upon the firm of new products and production methods.

Social and cultural      Demographic changes, consumer and employee patterns and influences of other stakeholders.

Legal      The purpose and impact of legislation upon the firm regarding its employment policies, productive organisation and marketing.

Political      The state as consumer, provider, supporter and source of constraints.

Environmental      External costs.

Moral and Ethical      Recognition of possible conflict in addressing different perspectives.

## 5.2 Module 2872: Business Decisions and Module 2873: Business Behaviour



C3.1a, C3.2, C3.3; N3.1, N3.2, N3.3; IT3.1, IT3.3.

WO3.1, WO3.2; LP3.1, LP3.2; PS3.1, PS3.2, PS3.3.

These modules build upon the knowledge and skills acquired in the study of module 2871 and should therefore be taught concurrently or after module 2871. The emphasis in the delivery of these modules should be upon the integrative nature of the subject. Candidates should be able to recognise interrelationships between each of the four main behavioural functions of business and that for an organisation to be a success in a dynamic and challenging environment, decision have to be taken in the context of both the organisation's wider objectives and its resources.

Where appropriate within these modules, candidates are expected to acquire an awareness and understanding of the applications and limitations of Information and Communications Technology. Candidates should therefore be given opportunities throughout their study of these modules to make use of relevant ICT applications.

### Marketing

The study should focus on the process of finding and satisfying customers with an emphasis on marketing objectives, strategy and tactics.

#### The Market, its definition and structure

Definition and importance of the marketing process.

Marketing's relationship with other business activities; marketing objectives and behaviour as a means of achieving corporate objectives.

Customer versus product orientation.

Marketing and overall objectives.

Market segmentation: reasons and methods .

Defining and measuring market share and market growth.

### Market Research and analysis

Sources and methods of data collection; primary and secondary.

Reasons for, methods of, and limitations of sampling.

### Marketing Planning

Formulation of marketing objectives, strategy and plans. The integrative elements of a marketing plan:

Product: the role of product development, product life cycle and portfolio analysis.

Price: based on cost, competition, customer.

Place: channels of distribution.

Promotion: above and below the line.

Calculation and interpretation for decision making of price elasticity.

**Accounting and Finance**

The emphases should be on the use of accounting and financial information as an aid to decision making and financial control.

**Budgets**

Their nature and purpose as an aid to decision making and control. Comparison of budget and actual achievement.

**Cash Flow**

The importance of cash flow. Calculation and interpretation of cash flow forecast, cash budgets.

**Costs**

Different types of cost: fixed, variable, marginal, direct, indirect and overhead. Contribution, its calculation and uses. Break even analysis as a decision making tool.

**Investment decisions**

Reducing risk in circumstances of uncertainty; investment appraisal, Pay Back Period and Accounting Rate of Return.

**Final Accounts**

The role, purpose and limitations of the balance sheet and the profit/loss account.

**People in Organisations**

Candidates are required to understand the significance of various management and organisation structures for a business and its employees. Candidates should recognise the opportunities and constraints, in relation to people in organisations, created by the business/legal environment and to appreciate the contributions of selected management theories.

**Human resource planning**

The relationship between organisation objectives and human resources; work force planning, recruitment, selection, induction, training, severance (a knowledge of the principles of employment law and the rights and duties of employees and employers).

Labour turnover: determination and impacts.

<b>Motivation and Leadership</b>	<p>Their role in achieving objectives. Motivation in theory (Taylor, Mayo, Maslow, Herzberg) and practice; enlargement, enrichment, rotation, team working, participation. Monetary and non-monetary motivation, management by objectives, delegation, empowerment; payment methods, bonuses. The impact of leadership styles on performance; autocratic, democratic and Laissez-faire and McGregor's Theory X and Theory Y.</p>
<b>Management Structure and Design</b>	<p>Principles of structure, span of control, hierarchy.</p> <p>Types of structure: centralised and decentralised.</p> <p>Effect on organisational performance.</p>
<b>Operations Management</b>	<p>The study of operations management should focus upon the way in which organisations use inputs and manage business processes efficiently in order to satisfy customers.</p>
<b>Operational efficiency</b>	<p>Scale: Factors effecting choice of operational scale. Tactics for short run over capacity production and impacts of operating under capacity.</p> <p>Economies and diseconomies of scale.</p>
<b>Organising production</b>	<p>Approaches to operation.</p> <p>Job, batch, flow, cell and lean. Reasons for choice and effects on efficiency.</p>
<b>Quality</b>	<p>Importance: methods of ensuring quality. Built in versus inspected quality. Interrelationship between motivation, training and quality.</p> <p>Approaches to quality; quality assurance, TQM and continuous improvement. Establishing quality standards; bench marking.</p>
<b>Stock control</b>	<p>Purpose and costs of stock. Determination of buffer stock, reorder level and quantities, lead time; construction and interpretation of stock control charts. JIT as a means of controlling stock and improving quality, reducing waste.</p>

## 5.3 Module 2874: Further Marketing (Optional)



C3.1a, C3.2, C3.3; N3.1, N3.2, N3.3;  
IT3.1, IT3.2, IT3.3

WO3.1, WO3.2, WO3.3; LP3.1, LP3.2

The optional Further Marketing module builds upon the content of the Advanced Subsidiary GCE modules 2871, 2872 and 2873. Candidates are assessed in a context which refers to specific business situations. Candidates are expected to show critical awareness of theories, concepts and decision making tools which are integral to marketing and to use them in solving problems or making decisions. The approach is an integrated one in which candidates are expected to explain, analyse, evaluate and use marketing information in ways which take into account considerations relating to appropriate aspects of organisational structure and activity and the environment within which marketing activity takes place.

Where appropriate within the specification candidates are expected to acquire an awareness and critical understanding of the applications and limitations of relevant aspects of ICT. Candidates should therefore be given opportunities, throughout their study of marketing, to make use of relevant marketing applications.

<b>The Market</b>	<p>The role of marketing and the achievement of business objectives.</p> <p>The need to consider marketing in relation to other factors and other decisions.</p>
<b>Market planning</b>	<p>Market segmentation and aggregation.</p> <p>Market Share and Market Growth.</p> <p>Factors influencing buyer behaviour.</p> <p>Marketing and the Law.</p>
<b>Market Research</b>	<p>The nature, purpose and methods of research.</p> <p>The sources of information.</p> <p>Sampling methods: random, stratified, cluster, systematic, quota, and convenience.</p> <p>Costs and benefits.</p> <p>Quantitative understanding of sampling; use of normal distribution.</p> <p>Sampling error.</p> <p>Methods of forecasting: time series analysis; trends, cyclical variation.</p>

**Marketing Planning**

The market plan.

Marketing objectives.

**Models of marketing:**

AIDA, DAGMAR, SWOT, and Ansoff's Matrix.

International marketing. The role of the EU.

**The Marketing Mix**

Elements of the mix:

Product: value analysis, the product life cycle.

Pricing: elasticity, pricing strategies

Promotion: advertising, sales promotion, personal selling, branding.

Distribution: location, patterns of distribution.

Blending of the mix.

## 5.4 Module 2875: Further Accounting and Finance (Optional)



C3.1a, C3.2, C3.3; N3.1, N3.2, N3.3;  
IT3.2, IT3.3.

LP3.1, LP3.2; PS3.1, PS3.2, PS3.3.

The optional Further Accounting and Finance module builds upon the Advanced Subsidiary GCE modules 2871, 2872 and 2873. Candidates are assessed at the standard required for the reward of Advanced GCE and in a context which refers to specific business situations. Candidates are expected to show critical awareness of performance measures, criteria, concepts, theories and decision making tools and to use them to solve problems or make decisions. The approach is strategic and integrated. Candidates are expected to explain, analyse, evaluate and use information relating to accounting and finance in ways which take into account considerations relating to the organisation as a whole and the environment within which decisions are made. Ability to discuss and evaluate accounting and finance procedures and methods is regarded as of equal importance to the ability to use numerical data accurately and effectively.

Where appropriate, within this specification, candidates are expected to acquire an awareness and critical understanding of the applications and limitations of relevant aspects of ICT. Candidates should therefore be given opportunities, throughout their study of accounting and finance, to make use of relevant ICT applications.

### Accounting Perspective

The role of accounting and financial decision making in the business as whole.

The need to consider accounting data in relation to other factors and other decisions in all situations.

Applications of information technology.

### Accounting Concepts

Consistency, going concern,

Matching (accruals) materiality.

Objectivity, prudence (conservatism) realisation.

Applications and critical awareness of these principles.

### Sources of Finance

Internal and external sources of finance.

Analysis of current finance patterns using gearing, liquidity and performance ratios.

The interrelationship with legal structures.

The factors that influence choice.

The costs and benefits of finance.

<b>Budgets</b>	<p>Budgets and objectives.</p> <p>Budgets and management/motivation.</p> <p>Establishing priorities.</p> <p>Variance analysis and explanation, with reference to any variable.</p>
<b>Costs and costing</b>	<p>Standard costs, their nature and purpose.</p> <p>Situations in which standard costs are used.</p> <p>Interpretation and use of standard costs.</p> <p>Cost centres and Profit Centres, purpose and use.</p> <p>Allocation of costs: full, absorption and marginal.</p> <p>Costs and decisions: calculation and understanding of contribution and profit.</p>
<b>Final Accounts</b>	<p>Construction and modification of final accounts.</p> <p>Explanation and interpretation of constituent elements of assets, liabilities and profit loss account entries.</p> <p>Cash flow statements.</p> <p>Valuation of assets: fixed assets, investments, patents, goodwill debtors, bad debts, stocks.</p> <p>Depreciation: Straight line and declining balance.</p> <p>Other provisions, e.g. bad debts.</p> <p>Importance of changing asset values.</p> <p>Current liabilities and Owners' Equity.</p> <p>Interpretation and use by actual and potential stakeholders.</p> <p>Ratios: performance, profitability, liquidity and gearing. Limitations of these.</p> <p>The annual report and the disclosure requirements; why the law intervenes.</p>
<b>Accounting for Decisions</b>	<p>Allocating fixed costs: reasons, methods.</p> <p>Effects on reported profits.</p> <p>Use of break even (simple and complex model) to make decisions.</p>



Using contribution information and calculations to determine whether activity should be increased or reduced.

Investment Appraisal. Understanding and using DCF, NPV and IRR.

## 5.5 Module 2876: Further People in Organisations (Optional)



C3.1a, C3.1b, C3.2, C3.3; IT3.3.

WO3.1, WO3.2; LP3.1, LP3.2

The optional Further People in Organisations Units builds upon and reinforces relevant material introduced in the Advanced Subsidiary GCE modules 2871, 2872 and 2873. Candidates are assessed at the standard required for the reward of Advanced GCE and in a context which refers to specific business situations. Further People in Organisations also seeks to introduce the candidates to specific issues related to Human Resources aspects of business, which are not definitively covered in the above mentioned Advanced Subsidiary GCE modules in order to develop a detailed and specialised appreciation of the importance of this area of activity in business, and the inherent links with other aspects of business activity.

Where appropriate within this specification, candidates are expected to acquire an awareness and critical understanding of the applications and limitations of relevant aspects of ICT. Candidates should therefore be given opportunities, throughout their study of accounting and finance, to make use of relevant ICT applications.

### Communication

Impact of individual and group behaviour in organisations.

Formal and informal groups, the needs that groups satisfy.

Group norms - objectives and behaviour within the organisation.

Methods and effectiveness of communication.

### Organisation and Controlling the Activities of People at Work

Motivating, co-ordinating and planning. The function(s) of each department and departmental inter-relationships an organisation.

Products/systems - the meaning and implications of organising on a production or systems basis.

Motivation and morale-related problems in the organisation.

Motivation theory.

Leadership and Management Styles.

Styles of leadership - appropriateness in different situations.

Appropriateness of different styles of leadership in different contexts - the dilemma of meeting 'people' and 'task' needs.

### Management of Change

Why change is resisted. Ways in which managers may effect change more quickly.

Acquisition of required skills through recruitment/training (and principles of employment law).

The requirements of legislation to prevent discrimination on the ground of race, sex or religion and how it affects an organisation.

**Employer/Employee Relations**

Contracts of Employment (and principles of employment law).

Health and Safety - the main provisions of legislation and their implications for an organisation and its employees.

Data Protection - the implications of data about employees being held on computer.

Employment Tribunals, dismissal.

Differing Approaches to Employee Relations at the collective and individual level, methods of negotiation, conciliation and arbitration, collective bargaining at plant, industry and national level.

The Labour Market.

Trade Unions - reasons for joining or not joining a union.

Legal constraints on union activity - the implications of the various Employment Acts.

The effectiveness and power of the unions - the relative strengths of unions in different kinds of businesses and the reasons for this.

Implications of EU membership.

The implications of issues such as the Social Chapter working time directive.

ACAS.

Role of the State.

The decline of voluntarism and the regulation of industrial relations by statute.

**Employee Participation**

Industrial Democracy: reasons for and against participative decision-making.

Methods of achieving industrial democracy, collective bargaining, employees as shareholders.

**Methods of Remuneration**

Financial and non-financial rewards.

## 5.6 Module 2877: Further Operations Management (Optional)



C3.1a, C3.2, C3.3; N3.1, N3.2, N3.3.

LP3.1, LP3.2

The optional Further Operations Management module builds upon the Advanced Subsidiary GCE modules 2871, 2872 and 2873. Candidates are assessed in a context which refers to specific business situations. Candidates will be expected to explain, analyse, evaluate and use information relating to operations management and in addition take into consideration issues relating to the organisation as a whole and the environment within which decisions are made.

Where appropriate within this specification candidates are expected to acquire an awareness and critical understanding of the applications and limitations of relevant aspects of ICT. Candidates should therefore be given opportunities, throughout their study of operations management, to make use of relevant ICT applications.

### Management and the Production Process

The relationship between business objectives and production planning.

The relationship between operations management and other business functions.

Location of industry.

Production methods: job, batch, flow, lean and cell.

The size of the production unit: measurement, cost and benefits of size, external and internal economies and diseconomies of scale.

Specialisation and the division of labour.

Information management – MIS.

### Constraints on Production

The restraints of the internal and external environment.

Resource management; optimising resource use.

Waste management and control: pollution control, cost of resource wastage (money, opportunity cost, social and environmental).

Production and the Law: health and safety, vicarious liability, food safety, pollution control and environmental protection.

Ethical considerations of production.

<b>Cost and Costings</b>	<p>Cost classification: fixed, variable, direct, indirect, marginal, average, opportunity, social.</p> <p>Costing methods: full, absorption, contribution and standard.</p> <p>Break even analysis: determination of break even, graphical representation, limitations of break even analysis.</p>
<b>Productive efficiency</b>	<p>Definition of productivity, methods of improving productivity.</p> <p>Capacity utilisation.</p> <p>Critical path analysis.</p> <p>Human resource issues as related to productive efficiency.</p> <p>Work study definition and its usefulness to productive efficiency.</p> <p>Stock control: costs of stock holding, method of stock control. Graphical representation of stock control. Relationships between stock control and methods of production.</p> <p>Quality Control; methods of quality control.</p> <p>Value analysis.</p>
<b>Technology</b>	<p>The role of technology in production and its impact on production methods.</p> <p>Robotics, automation, CAD, CAM stock control, and capacity utilisation.</p>
<b>Research and Development</b>	<p>The nature and importance of Research and Development.</p>

## 5.7 Module 2878: Business Project



C3.1a, C3.1b, C3.3; N3.1, N3.2, N3.3;  
IT3.1, IT3.2, IT3.3

WO3.1, WO3.2, WO3.3; LP3.1, LP3.2,  
LP3.3; PS3.1, PS3.2, PS3.3.

The Business Project is an alternative to the Business Thematic Enquiry.

### Formal Requirements

Candidates are required to submit a report of about 4000 words.

There is no discrete subject content but the report must

- be investigative in nature showing problem solving skills
- be based either on a single organisation or on a more general business related issue
- use, analytically and with evaluation, business studies knowledge drawn from various elements of the course as appropriate to the selected problem
- be presented as a report with clear definition of the problem and objectives in pursuing it

The topic chosen could arise from any form of personal or school organised contact with any type of organisation. The only requirement, in this respect, is that the topic should clearly be a business one enabling the rigorous and effective use of the candidate's knowledge. The choice of project is for the candidate to make but in making that choice reference should be made to:

- **The requirements of the specification.** The project should not require the candidate to use knowledge or techniques which are beyond the specification but should give clear opportunity to use knowledge from it.
- **The assessment criteria.** These give a strong indication of the requirement and of the basis upon which the examiners will award marks.

Centres are welcome to seek advice from OCR on any queries relating to the acceptability of a proposed Project.

### The Assessment Criteria

The Business Project is internally marked by the teacher and marking must be internally standardised by the Centre. The Project is marked in accordance with the following criteria:

#### **Criterion 1: The skill with which the problem has been explained in context [5 Marks]**

This criterion requires the candidate to define, explain and discuss the selected problem. Parameters within which the problem is presented and aspects of it measured, should be explained and justified. The candidate should show that there is a problem to be solved and present the context in which it needs solution.

Level 4	The nature of the problem is well demonstrated, the need to solve it clear and the context is well developed	4-5
Level 3	The quality of the presentation of the problem is sufficient to enable the development of a solution	3
Level 2	The presentation might make it difficult to develop a solution	2
Level 1	There is an attempt to define or explain the problem.	1

#### **Criterion 2: The skill with which appropriate and realistic objectives have been set and used [10 Marks]**

This criterion requires the candidate to set objectives for the investigation as a whole and for distinct stages of it. Once these are set and their realism established, they should provide the framework within which the research will take place. The success of the investigation should also be assessed by comparing actual achievements with the intended outcomes.

Level 4	The objectives set are appropriate to the investigation and have been used as a framework for the approach. There is evidence of evaluation against them	8-10
Level 3	Good use has been made of objectives but there are some limitations to their effectiveness or to the candidate's use of them	5-7
Level 2	Either the overall use of objectives is below average or good objectives have been set but not used.	3-4
Level 1	There is some evidence of attempts to set, explain, or refer to objectives.	1-2

**Criterion 3: Evidence of appropriate Research Methods**

**[10 Marks]**

This criterion requires the candidate to give careful thought to the nature of the problem, the purpose of the research, the data available and the form in which it is best collected and collated.

Level 4	A method of approach has been selected and effectively justified in the context of the problem and its potential solutions	8-10
Level 3	The approach is good but there is a weakness in it which is not crucial but which should have been avoided	5-7
Level 2	There are sufficient weaknesses in the method or its use, to make the solution of the problem difficult	3-4
Level 1	There is some attempt to develop and apply a method	1-2

**Criterion 4: Evidence of Appropriate Primary and Secondary Research**

**[10 Marks]**

This criterion looks at the evidence collected and the justification for doing so. Sufficient primary research will be expected but it should be supplemented by appropriate secondary research including specialist reading around the topic which has been chosen. Candidates are recommended to make good use of the Internet as a source and to have collected their evidence in a form likely to facilitate analysis and evaluation as the basis of solution.

Level 4	Evidence collected is balanced, appropriate, sufficient and in a usable form. It is collated in ways which could make analysis and evaluation effective	8-10
Level 3	The evidence is sufficient to enable analysis and evaluation but there are non-crucial weaknesses	5-7
Level 2	The quality and sufficiency of the evidence collected is likely to make analysis and evaluation unrealistic or difficult	3-4
Level 1	Evidence has been collected	1-2



**Criterion 5: Evidence of understanding and use of appropriate Business Studies knowledge. [15 Marks]**

The criterion requires that candidates have selected from subject knowledge, appropriate concepts, theories or techniques which have been critically explained, justified in their selection and effectively used. This use may be in defining and analysing the problem, in developing methodology, the collection, collation and presentation of evidence or in its analysis and evaluation. It is expected that candidates will draw upon and use knowledge, from across the specification and not limit themselves to single highly specialised areas. Knowledge which, though correctly explained or presented, has not been used, will not be rewarded.

Level 4	There is evidence of good explanation and use of knowledge consistently throughout the report	12-15
Level 3	Opportunities for the use of knowledge have not been consistently taken and/or understanding and application have been occasionally unclear	7-11
Level 2	Understanding and/or application are consistently flawed or subject based support is lacking in significant areas of the work	3-6
Level 1	There is evidence of application and/or use of relevant subject knowledge.	1-2

**Criterion 6: Selectivity, Analysis and Synthesis [15 Marks]**

This criterion assesses the candidate's ability to turn data into evidence, to reject some which will not be relevant, to draw some together (synthesis) and to break other bits down and interpret them (analysis). It looks at the selection of methods of presentation and their appropriateness for the data collected and the use to be made of it. It may become clear that some evidence is weak and students who show understanding of this and evaluate the consequences will be credited.

Level 4	Evidence is appropriately presented and considered forming a good basis for decisions or for strategy development	12-15
Level 3	The overall handling is good but there is a non-crucial weakness	7-11
Level 2	Skills shown will give a basis for some limited evaluation	3-6
Level 1	Some analysis can be identified	1-2

**Criterion 7: Evaluation, Recommendation or Strategy Development**

**[15 Marks]**

This criterion looks for ability to make logical and reasoned judgements and to select and justify best solutions. Evaluation may be shown at all stages of the work e.g. in developing criteria for explaining and presenting the problem, in determining a method of approach or in deciding which business studies ideas to use. We do not look for “right answers” but we do expect that any judgements made will be supported by reference to evidence and to logical argument. We also expect that candidates will evaluate in the light of their own objectives and will show understanding of the limitations placed on their findings by weaknesses at earlier stages in the report. The candidate must also show awareness of the extent to which any strategies or recommendations are realistic in business terms. Evaluation which is personal, or is offered after the recommendations have been made, will not be rewarded.

Level 4	Reasoning and logic are of a high standard throughout the work	12-15
Level 3	Good in the main but some non-crucial opportunities to show evaluation or critical skills have been missed	7-11
Level 2	Judgments made and critical awareness shown are weak in at least one crucial aspect of the report	3-6
Level 1	There is evidence of attempts to support judgments	1-2

**Criterion 8: Presentation**

**[5 Marks]**

The Project is a report which is meant to be well structured and easy to read. This criterion gives credit for features which add to the cohesion and readability of the report. This includes such aspects as an accurate title at the front, work sectioned into paragraphs, diagrams correctly labelled and explained, statistics and other data sourced and quotations attributed. This criterion is not concerned with communication skills but it is concerned with the effective use of specialist subject language and diagrammatic or graphical presentations.

Level 4	The report is excellent or good in nearly all presentational aspects	4-5
Level 3	The standard is acceptable but there are some weaknesses	3
Level 2	The standard detracts from the readability of the work	2
Level 1	There is some evidence of an attempt to develop structure	1

**Criterion 9: Written Communication Skills**

**[5 Marks]**

This criterion is concerned with the ability of candidates to use the English language effectively, in circumstances where there is time and opportunity to ensure that the standard is high. It relates to clarity of expression, the structure and presentation of ideas, grammar, punctuation and spelling.

Level 4	Communication skills are consistently good throughout the report	4-5
Level 3	The overall standard of skills is acceptable	3
Level 2	The overall standard of skills is acceptable in some respects	2
Level 1	The overall standard of skills shows some merit	1

## 5.8 Module 2879: Business Thematic Enquiry



C3.1a, C3.1b, C3.3; N3.1, N3.2, N3.3;  
IT3.1, IT3.3.

WO3.1, WO3.2, WO3.3; LP3.1, LP3.2,  
LP3.3 PS3.1, PS3.2, PS3.3.

The Business Thematic Enquiry is an alternative to the Business Project.

The enquiry is based upon an unseen case study. The central theme of the case study is known to teachers in advance in order to permit preparatory study around that theme. The theme is always one which enables candidates to use knowledge from many parts of the specification. Candidates are expected to write a report which is problem solving/evaluative in nature using both the evidence presented in the case and the understanding gained from previous study of the theme. No materials of any kind can be taken into the examination.

The data provided presents a decision-making situation in which evidence must be selected and interpreted, theory applied and a range of possible decisions made. Candidates are not expected to use all of the evidence available but to draw upon sufficient to support the analysis and evaluation offered.

As with a Project, the candidate must show ability to investigate the situation, to select and apply appropriate knowledge. The information selected must be analysed and used, in ways which seem appropriate to the candidate, in performing the single task required – the completion of a report.

It is not implied that there is any one right answer and it is not expected that candidates will find it. It is expected that the level of argument will show a good and holistic grasp of the subject; that the arguments will be developed logically from the evidence; that conclusions/strategies and/or recommendations will be based on that logic and will be realistic in business terms.

### Assessment Criteria

The Business Thematic Enquiry is marked in accordance with the following criteria.

#### Criterion 1: The skill with which the problem has been explained in context [5 marks]

This criterion requires the candidate to define, explain and discuss the selected problem, Parameters within which the problem is presented and aspects of it measured, should be explained and justified. The candidate should show that there is a problem to be solved and present the context in which it needs solution.

Level 4	The nature of the problem is well demonstrated, the need to solve it clear and the context is well developed.	4-5
Level 3	The quality of the presentation of the problem is sufficient to enable the development of a solution strategy	3
Level 2	The presentation might make it difficult to develop a solution	2
Level 1	There is an attempt to define or explain the problem.	1

**Criterion 2: The skill with which appropriate and realistic objectives have been set and used [10 Marks]**

This criterion requires the candidate to set objectives for the investigation as a whole and for distinct stages of it. Once these are set and their realism established they should provide the framework within which the research will take place. The success of the investigation should also be assessed by comparing actual achievements with the intended outcomes.

Level 4	The objectives set are appropriate to the investigation and have been used as a framework for the approach. There is evidence of evaluation against them	8-10
Level 3	Good use has been made of objectives but there are some limitations to their effectiveness or to the candidate's use of them	5-7
Level 2	Either the overall use of objectives is below average or good objectives have been set but not used.	3-4
Level 1	There is some evidence of attempts to make, explain, or refer to objectives	1-2

**Criterion 3: Evidence of appropriate Research Methods [10 Marks]**

This criterion requires the candidate to give careful thought to the nature of the problem, the purpose of the research, the data available and the form in which it is best collated. Candidates should refer to research they have undertaken and the methodology involved, where it is relevant to the issue presented to them and to its consideration.

Level 4	A method of approach has been selected and effectively justified in the context of the problem and its potential solutions.	8-10
Level 3	The approach is good but there is a weakness in it which is not crucial but which should have been avoided	5-7
Level 2	There are sufficient weaknesses in the method or its use, to make the solution of the problem difficult	3-4
Level 1	There is some attempt to develop and apply a method	1-2

**Criterion 4: Evidence of Appropriate Primary and Secondary Research [10 Marks]**

This criterion looks at the evidence collected and the justification for doing so. Sufficient primary research will be expected but it should be supplemented by appropriate secondary research including specialist reading around the topic which has been chosen. Candidates are recommended to make good use of the Internet as a source and to have collected their evidence in a form likely to facilitate analysis and evaluation as the basis of solution. Data is presented in the case which is not necessarily relevant to the issue being considered and candidates are expected to select effectively. The evidence presented should be a balance of that collected in preparatory work and that selected from the case.

Level 4	Evidence collected is balanced, appropriate, sufficient and in a usable form. It is collated in ways which will make analysis and evaluation effective	8-10
Level 3	The evidence is sufficient to enable analysis and evaluation but there are non-crucial weaknesses	5-7
Level 2	The quality and sufficiency of the evidence collected is likely to make	3-4

analysis and evaluation unrealistic or difficult.

Level 1	Evidence has been collated	1-2
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**Criterion 5: Evidence of Collection understanding and use of appropriate Business Studies knowledge** **[15 Marks]**

This criterion requires that candidates have selected from subject knowledge, appropriate concepts, theories or techniques which have been critically explained, justified in their selection and effectively used. This use may be in methodology, the collection, collation and presentation of evidence or in its analysis and evaluation. It is expected that candidates will draw and use knowledge from across the specification and not limit themselves to highly specialised areas. Knowledge which, though correctly explained or presented, has not been used, will not be rewarded. The knowledge used in compiling the report should be a balance of that available from the case and from preparatory work undertaken.

Level 4	There is evidence of good explanation and use of knowledge consistently throughout the report	12-15
Level 3	Opportunities for the use of knowledge have not been consistently taken and/or understanding and application have been occasionally unclear	7-11
Level 2	Understanding and/or application are consistently flawed or subject based support is lacking in significant areas of the work	3-6
Level 1	There is evidence of application and/or use of relevant subject knowledge	1-2

**Criterion 6: Selectivity, Analysis and Synthesis** **[15 Marks]**

This criterion assesses the candidate's ability to turn data into evidence, to reject some which will not be relevant, to draw some together (synthesis) and to break other bits down and interpret them (analysis). It looks at the selection of methods of presentation and their appropriateness for the data collected and the use to be made of it. It may become clear that some evidence is weak and students who show understanding of this and evaluate the consequences will be credited. Candidates should be using the data which they consider relevant both from the case and from their preparatory studies.

Level 4	Evidence is appropriately presented and considered forming a good basis for decisions or for strategy development	12-15
Level 3	The overall handling is good but there is a non-crucial weakness	7-11
Level 2	Skills shown will give a basis for some limited evaluation	3-6
Level 1	Some analysis can be identified	1-2

**Criterion 7: Evaluation, Recommendation or Strategy Development**

**[15 Marks]**

This criterion looks for ability to make logical and reasoned judgements and to select and justify best solutions. Evaluation may be shown at all stages of the work e.g. in developing criteria for explaining and presenting the problem, in determining a method of approach or in deciding which business studies ideas to use. We do not look for “right answers” but we do expect that any judgements made will be supported by reference to evidence and to logical argument. We also expect that candidates will evaluate in the light of their own objectives and will show understanding of the limitations placed on their findings by weaknesses at earlier stages in the report. The candidate must also show awareness of the extent to which any strategies or recommendations are realistic in business terms.

Level 4	Reasoning and logic are of a high standard throughout the work. There is clear evidence of critical awareness in the recommendations	12-15
Level 3	Good in the main but some non-crucial opportunities to show evaluation or critical skills have been missed	7-11
Level 2	Judgments made and critical awareness shown are weak in at least one crucial aspect of the report	3-6
Level 1	There is evidence of attempts to support judgment	1-2

**Criterion 8: Presentation**

**[Marks 5]**

The report is meant to be well structured and easy to read. This criterion gives credit for features which add to the cohesion and readability of the report. This includes such aspects as, work sectioned into paragraphs, diagrams correctly labelled and explained, statistics and other data sourced and quotations attributed. This criterion is not concerned with communication skills but it is concerned with the effective use of specialist subject language and diagrammatic or graphical presentations.

Level 4	The report is excellent or good in nearly all presentational aspects	4-5
Level 3	The standard is acceptable but there are some weaknesses	3
Level 2	The standard detracts from the readability of the work	2
Level 1	There is some evidence of an attempt to develop structure	1

**Criterion 9: Written Communication Skills**

**[Marks 5]**

This criterion is concerned with the ability of candidates to use the English language effectively. It relates to clarity of expression, the structure and presentation of ideas, grammar, punctuation and spelling.

Level 4	Communication skills are consistently good throughout the report	4-5
Level 3	The overall standard of skills is acceptable	3
Level 2	The overall standard of skills is acceptable in some respects	2
Level 1	The overall standard of skills shows some merit	1

### **Specimen Case Study**

A specimen case study based on the theme “Starting Up a Business” is given in Appendix B.

The 1 hour 30 minutes allotted to writing the report should be spent approximately as follows:

- 15 minutes carefully reading the case
- 15 focusing on the requirements of the report and its structure
- 45 minutes writing the report
- 15 minutes checking the work

### **The range of issues which could be tested.**

These suggestions are not meant to be exhaustive or necessarily required sourcing. Teachers and candidates may well have good examples of business planning and development in the local area and these will make an excellent preparation.

There is a wide range of issues which could be tested and these include:

- Whether the market is likely to be sufficient to sustain a new business.
- Where such a new business might be located.
- The capital requirement for it and the sources of finance.
- The organising and management skills of the owner(s).
- The legal form the business could (should) take.
- The legal procedures required and the potential attitude of the community.
- The costing the firm has undertaken and the revenue projections.
- The stated objectives (long and short term) of the owners.

### **Sources of Information**

- Information provided by standard texts both on the overall intention to start a business and on specific aspects of it listed above. It is important that the books chosen for this are of Advanced GCE standard.
- Information provided by banks. All the major banks have start-up packs which contain all or most of the information needed. A banker or a business person may well be able to add to or interpret this data.
- Local surveys of the nature pattern and success of businesses in the area. A particular focus would be new businesses which have started up, those that are relatively new and those that have announced intended closure.
- Case histories and other articles within Business Review or in newspapers and business magazines.
- Evidence gained from part time jobs, from young enterprise and from other contacts.
- Information from government agencies, local authorities, venture capitalists, firms which are setting up new branches e.g. McDonald’s franchising firms



- Information from the Internet.

**Tasks which might be an effective preparation**

It is expected that the tasks suggested below, or others which may be selected are undertaken within the normal scheme of work. It is important that candidates understand the tasks they undertake as part of the integrated study of the subject and not as isolated activities in preparation for this component.

- (a) The conduct of a rigorous local survey. This could be the whole of a local small town or a particular area like a business or retail park, or streets in a community where small businesses are a feature.
- (b) Participation in a Young Enterprise Scheme. As long as the business is as real as possible with a genuine product and market base so that all the features of setting up a business are there in miniature then this can be very effective. To ensure learning the group must be of optimum size. It is possible for YE groups to be either too small or too large.
- (c) Practice at cashflow statements and their interpretation
- (d) Conduct of investment appraisal exercises including consideration of other factors.
- (e) Consideration of the potential for the sale of a particular product in the local area.
- (f) Consideration of ways in which local authorities might support or constrain the development of a local business and of why they exercise these powers.
- (g) Consideration of the general community interests which surround the opening of a new business.
- (h) Consideration of the general legal requirements which surround the opening of a new business.
- (i) Consideration of the problems which small businesses commonly face in the first year or so and of reasons why many businesses fail in the first year.
- (j) Consideration of the factors which a potential lender might take into account when deciding whether to provide support. Consideration, also, of the factors which potential borrowers must take into account.
- (k) Practice at writing coherent, well-structured, reports under a time constraint.

## 5.9 Module 2880: Business Strategy



C3.1a, C3.2, C3.3

LP3.1, LP3.2

This module is compulsory and designed to complete the Advanced GCE in Business Studies by being covered at the end of the course. The unifying theme is choosing and justifying strategy and as such candidates are expected to demonstrate an analytical and evaluative approach to the content introduced in this module, and to that from Advanced Subsidiary GCE modules.

The emphasis should be on strategy, its nature, development, implementation and critical evaluation in the context of specific organisational and business situations. Hence candidates are required to recognise potential conflict between the objectives of different stakeholder interest and suggest and evaluate resolutions to such conflict. They should be able to recognise the inter-relationships between objectives and an uncertain business environment and to devise and evaluate strategies which aim to anticipate, respond to and manage change. Candidates are required to demonstrate their integrative understanding of the subject and to be able to approach situations from the perspective of different stakeholders.

Rather than specify the content to be covered in this module as discrete behaviours, it is presented in an integrated way. However, when the focus of study is primarily upon the marketing aspects of strategy, candidates should be able to analyse and evaluate the potential of different marketing strategies, tactics, and techniques for enabling the business to identify and adapt to changing market opportunities and achieve their objectives. Similarly, when the focus of study is primarily upon accounting and finance, candidates should be able 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. When the focus of study is primarily upon people in organisations, candidates should 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. Finally, when the focus is primarily upon operations management, candidates should be able to analyse and evaluate the use of different operations management tools to enhance decision making in order to improve efficiency and quality.

Where appropriate, within this module, candidates are expected to acquire awareness and understanding of the applications and limitations of information and communications technology. Candidates should therefore be given opportunities throughout their study of Business Strategy, to make use of relevant ICT applications.

### Setting corporate objectives

Formation of objectives at tactical and strategic levels.

Communication of objectives through corporate plans and mission statements.

The impact differing stakeholder objectives have on the behaviour and decisions of the firm.

### Tools for corporate planning

Aids to decision making; Ansoff matrix.

Drawing and evaluating Decisions Trees.

The use of Time Series Analysis to produce forecasts.

Gathering information and summarising data.

Critical Path Analysis as a means of allocating resources; determination of the critical path.

**External influences**

The Market: Market failure; Government and other stakeholder responses to it.

Labour markets, impact of skills shortages and surpluses.

Unemployment: Types and their impact on the firm.

Interest, exchange and taxation rates: Strategic implication of changes upon competitiveness both locally, nationally and internationally.

Inflation and deflation: Causes and cures; impact upon the firm.

Economic growth: Effects on business and government behaviour and business activity and strategic decision making.

Technological change: The impact of technological change on business.

Social: The role and limits of corporate responsibility in decision making. The changing pattern of employment.

Legal behaviour and decisions.

Contract law as a basis for employment, occupational safety and marketing law.

Political: political changes creating opportunities and threats to corporate success. Different styles and degrees of government intervention; nationalisation, privatisation and laissez-faire.

Environmental: environmental audits as a means of reducing process waste.

Moral and Ethical Issues: modification of business behaviour in the light of moral, ethical and spiritual issues.

**Devising and Implementing strategy**

Communication methodologies and effective consultation, shared values. Barriers to effective communication; overload, remoteness from audience, attitudes. From corporate plan to target setting; measuring effectiveness. Budgets; communication, control and motivation. Calculation and interpretation of adverse and positive variances. Management of working capital to secure liquidity. The strategic importance of facility location.

**Reviewing strategy**

Constant review of market and environmental circumstances. Changes in market demand; R&D and new product development. Interpretation of performance through ratios; liquidity, solvency, activity, investment appraisal. Use of financial accounting information to assess performance; determination of returns on capital and profitability; determination of shareholders' rewards return on investment. The use of information technology as an aid to decision making; management information systems. Determination of employee contribution to objectives; productivity, absenteeism. Assessment of impact on other stakeholders.

**Managing strategic change**

Securing resources; sources of finance and size of organisation. Incremental versus catastrophic change; crisis and contingency management. The role of team work, motivation and leadership in achieving goals; organisational culture and employee participation. Employee relations at individual and collective level. Trade Unions and their role in achieving corporate objectives; changes to employment practices and levels. Flexible working, zero hour contracts, sub-contracting. Strategies for avoiding conflict, no strike deals, pendulum arbitration and the role of intermediaries should these fail; ACAS.

## 6 Further Information and Training for Teachers

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To support teachers using these specifications, OCR will make the following materials and services available:

- up-to-date copies of these specifications;
- a dedicated subject-specific telephone number;
- a full programme of In-Service Training (INSET) meetings;
- specimen question papers and mark schemes;
- past question papers and mark schemes after each examination session;
- coursework guidance materials;
- a report on the examination, compiled by senior examining personnel, after each examination session;
- individual feedback to each Centre on the moderation of coursework.

If you would like further information about the specification, please contact OCR.

Further information may be obtained from:

The Director  
The Cambridge Business Studies Project  
22 Nene Crescent  
Oakham  
Rutland  
LE15 6SG

Tel: 01572 771564

## 7 Reading List

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The development of candidates' skills of researching information makes it desirable for them to have access to a range of books. The inclusion of books in this list does not imply a recommendation, nor is it a list of prescribed texts. It is simply a list from which teachers may like to select.

Cambridge University Press will be publishing new material supporting these specifications, endorsed by OCR.

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### 7.1 Dictionaries

- Bannock, G. et al. (Eds). *Penguin Dictionary of Economics*, Penguin. 0 14 051255 1.
- Blake, J. *The ABC of Management*, Cassell 0 304 32228 8
- Greener, M. *The Penguin Business Dictionary*, Penguin 0 14 051307 8
- Kempner, T. *A Handbook of Management*, Penguin 0 14 051063 X
- Lines, D. et al. *The Complete A-Z Business Studies, Handbook*, Hodder 0 340 58818 7.
- Pass, C et al. *Collins Dictionary of Business*, Collins 0 00 470803 2
- Pearce, D. W. (ed). *Macmillan's Dictionary of Modern Economics*, Macmillan, 0 333 57693 4.
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### 7.2 General Texts

- Ansoff, I. *Corporate Strategy*, Penguin 0 14 009112 2
- Appleby R.C. *Modern Business Administration*, Pitman. 0 273 60282 9.
- Armstrong. *A Handbook of Management Techniques*, Kogan Page 1 85091 480
- Barnes S. *Essential Business Studies*, Collins. 0 00 322264 0.
- Birchall J and Morris G. *Business Studies*, Nelson. 0 17 448219 1.
- Buckley, M. *The Structure of Business*, Pitman. 0 273 60269 1.
- Dearden C and Foster M. *Organisational Decision Making*, Longman. 0 582 081 18 1.
- Dorton I and Smith A. *A Student's Guide to Business Studies*, Hodder. 0 340 53927 5.
- DuBose. *Readings in Management*, Prentice-Hall 0 13 755166 5
- Dyer D, *Business Environment: A Text*, Cambridge Business Studies Trust.
- Dyer D and Chambers I, *Business Studies - An Introduction*, Longman. 0 582 35603 2.
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- Easton. *Learning from Case Studies*, Prentice. 0 135 27416 8.
- Hall D et al. *Business Studies – Second Edition*, Causeway. 1 873929 90 9.
- Hammond S. *Business Studies*, Longman. 0 582 05705 1.
- Handy C B. *Understanding Organisations*, Penguin. 0 14 015603 8.
- Howkins S. *The Organisation and its Environment 1*, OUP. 0 19 833531 8.
- Howkins S. and Jones, Janet. *The Organisation and its Environment 2*, OUP. 0 19 833535 0.
- Jewell B. R. *An Integrated Approach to Business Studies*, Pitman. 0 273 60082 6.
- Jewell B. R et al. *Practical Approach to Business Studies*, Pitman. 0 273 03673 4.
- Jones R. *Business in Focus, 1995/6*, Causeway. 1 87392952 8.
- Lawrence, P *Insight into Management*, OUP 0 19 856153 9
- Lines, D *Business Case Studies*, Longman 0 582 24481 1
- Marcousé I and Lines D. *Business Case Studies*, Longman. 0 582 24481 1.
- Martin E. *An Introduction to Business Studies and Management*, Portland Press. 1 85821 078 X.
- Needham D and Dransfield R. *Business Studies in Practice*, Stanley Thornes. 0 07 707292 8.
- Pascale *The Art of Japanese Management*, Penguin 0 14 009115 7
- Plant. *Managing Change*, Fontana. 0 006 36873 5.
- Poulter C. *Investigating Business*, Macmillian. 0 333 66488 4.
- Pugh, D S and Hickson, D J. *Writers on Organisations*, Penguin. 0 14 009150 5.
- Surridge, M *The Business Environment*, Collins Ed 0 00 327480 2
- Surridge M. et al. *People, Marketing and Business*, Collins. 0 00 322312 4.
- Wilkinson R (Ed). *Business Studies*, Heinemann. 0 435 45554 0.
- Worthington *The Business Environment*, Pitman 0 273 62493 8

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### 7.3 Business Decisions (Module 2872) and Business Behaviour (Module 2873)

- Dyer, D. *Business Organisations* Cambridge Business Studies Trust.
- Surridge, M. et al, *The Business Environment*, Collins. 0 00 327480 2.

## 7.4 Further Marketing (Module 2874)

Cannon, T *Basic Marketing* Holt, Rinehart 0 03 910603 9

Dransfield, R and Needham, D *Marketing: Everybody's Business*, 2nd edition, Heinemann, 0 435 45025 5. £11.99

Dyer, D *Marketing*, Cambridge Business Studies. £15.00

Lancaster *Essentials of Marketing*, McGraw Hill 0 07 084181 0

Marcouse, I *et al Business Studies*, Hodder and Stoughton, 0 340 70462 4. £18.99

Proctor, T *Essential Marketing*, Collins Educational, 0 00 327630 9. £14.99

SurrIDGE, M *et al People, Marketing and Business*, Collins Educational, 0 00 322312 4

Sutherland, J and Canwell, D *Applied Business - Marketing*, Hodder and Stoughton 0 340 68375 9. £11.99

Tinniswood, P *Marketing and Production Decisions*, Longman, 0 582 06772 3

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## 7.5 Further Accounting and Finance (Module 2875)

Bull, *Accounting in Business*, Butterworth, 0 406 50056 8.

Dyson, J *Accounting for Non-Accounting Students*, Pitman 0 273 03439 1

Kar B. *Essential Accountancy and Finance*, Collins, 0 00 322263 2.

Mott, G *Accounting for Non-Accountants*, Kogan Page 0 7494 0166 4

Parker, *Understanding Company Financial Statements*, Penguin, 0 14017378 1.

Sizer J. *Insight into Management Accounting*, Penguin, 0 14009126 2. £9.99

SurrIDGE M. *et al. Finance, Information and Business*, Collins, 0 00322313 2. £7.50

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## 7.6 Further People in Organisations (Module 2876)

Adcock, C J. *Fundamentals of Psychology*, Penguin. 1964. 0 1401354 6. £6.99

Adcock, C J. *Handbook of HRM*, Penguin. 1964.

Beaumont, P. *Human Resource Management: key concepts and skills*, Sage. 1993.

Dyer, D. *Human Resource Management*, Cambridge Business Studies Trust

Gospel, H and Palmer, G, *British Industrial Relations*, Routledge, 1993. 0 415 08543 9



Graham, H T. *Human Resources Management*, Pitman, 1992. 0 7121 0844 0

Handy, C. *Understanding Organisations*, Penguin, 1995.

Peters, T J and Waterman, R H A. *In Search of Excellence*, Harpers and Rowe, 1982.

Steers, R M and Porter, L W. *Motivation and Work Behaviour*, McGraw Hill, 1987.

Weightman, J. *Managing Human Resources*, I.P.M, 1993.

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## 7.7 Further Operations Management (Module 2877)

Bicheno, J *Operations Management*, Blackwell 0 631 20180 7

Dyer. D. *Operations Management*, Cambridge Business Studies Trust

Muhlemann *Production & Operations Management*, Pitman 0 273 03235 6

Slack, N *et al. Operations Management*, Pitman, 1997. 0273626884.

Tinniswood, P. *Marketing and Production Decisions*, Longman, 1991. 0583067723

Townley P. *Production*, Longman, 1993. 0 582 07405 3

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## 7.8 Business Project Module (2878)

Dyer, D. *The Research Assignment*, Cambridge Business Studies Trust

Marcosé *A-Z Business Studies Coursework Handbook*, Hodder & Stoughton 0 340 72051 4

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## 7.9 BIZ/ed - Business Education on the Internet

This is a free information service on the Internet which provides a range of notes and worksheets for use by Advanced GCE Students of Business Studies and Economics. This includes:

- key economic statistics;
- company information;
- case studies;
- outline assignments and study skills;
- curriculum updates;
- virtual economy simulation.

BIZ/ed also provides opportunities for the electronic networking of teachers. It is a very appropriate resource for teachers and students.

Its address is <http://www.bized.ac.uk/>

or write to

Institute of Learning and Research Technology  
University of Bristol  
8 Woodland Road  
Bristol  
BS8 1TN

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## Appendix A

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### Key Skills

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This Appendix offers detailed guidance on the Key Skills evidence that candidates might produce during their programme of study. It focuses on the evidence required to meet the criteria for the internally assessed Key Skills portfolio. For example, in producing work for assessment as evidence of C3.2 (Read and synthesise information from two extended documents about a complex subject. One of these documents should include at least one image.) a candidate is required to:

- select and read material that contains the information you need;
- identify accurately, and compare, the lines of reasoning and main points from text and images; and
- synthesise the key information in a form that is relevant to your purpose.

The Key Skills and Evidence Requirements below are quoted from the Part B of the QCA Key Skills specifications and, as such, are addressed to the candidate. The text below the Evidence Requirements is guidance for teachers about how the specification might be used to provide teaching and learning opportunities and/or assessment opportunities for the Key Skill.

For further information, teachers should refer to QCA's Key Skills specifications (for use in programmes starting from September 2000).

For further information about the assessment and certification of Key Skills, teachers should contact OCR.

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## C3 Communication Level 3

### C3.1a Contribute to a group discussion about a complex subject

#### Evidence Requirements

- (i) Make clear and relevant contributions in a way that suits your purpose and situation.
- (ii) Listen and respond sensitively to others, and develop points and ideas.
- (iii) Create opportunities for others to contribute when appropriate.

### Possible Opportunities

All modules within Business Studies offer opportunities for the development of Communication Level 3. Those identified below are most suitable in terms of involving complex subject matter.

The Nature of Business (in module 2871) offers the opportunity of group discussion of the interaction between stakeholders and business; examples might be drawn from local community action.

Further Marketing (module 2874) requires candidates to discuss and justify marketing behaviour and to discuss problems associated with measuring market share and market growth.

Further People in Organisations (module 2876) provides the opportunity for candidates to take part in a discussion on motivation theories.

The topic 'Stakeholder objectives' (in module 2871) offers the opportunity of group discussion of the interaction between stakeholders and business; examples might be drawn from local community action.

Communication (in module 2876) not only covers the 'What you need to know' aspect of Communication Level 3, but provides an opportunity for candidates to contribute to a group discussion on aspects of effective communication.

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- C3.1b** Make a presentation about a complex subject, using at least one image to illustrate complex points.

### Evidence Requirements

- (i) Speak clearly and adapt your style of presentation to suit your purpose subject, audience and situation.
- (ii) Structure what you say so that the sequence of information and ideas may be easily followed.
- (iii) Use a range of techniques to engage the audience, including effective use of images.

### Possible opportunities

A number of modules offer opportunities for candidates to make a presentation, but the most appropriate, in terms of complex subject matter and of using a range of techniques including images, are given below.

Further People in Organisations (module 2876) provides the opportunity for candidates to make a presentation on motivation theories. Communication (in module 2876) not only covers the 'What you need to know' aspect of Communication Level 3, but provides an opportunity for candidates to give a presentation on aspects of effective communication.

The Business Project (module 2878) provides an opportunity for candidates to give a presentation on their own investigations and findings in carrying out their project.

Candidates could give a presentation of tasks undertaken in module 2879 (see page 43).

**C3.2** Read and synthesise information from two extended documents that deal with a complex subject. One of these documents should include at least one image.

**Evidence requirements**

- (i) Select and read material that contains the information you need.
- (ii) Identify accurately, and compare, the lines of reasoning and main points from texts and images.
- (iii) Synthesise the key information in a form that is relevant to your purpose.

**Possible opportunities**

The teaching and learning of the theoretical basis underpinning Business Studies offer opportunities for the development of Communication C3.2 throughout the specification.

Further People in Organisations (module 2876) offers the opportunity for candidates to select and synthesise relevant material on motivation theories and organisation structures, and summarise the information for their own purposes. A suitable image could be included in the form of an organisation chart.

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**C3.3** Write two different types of documents about complex subjects. One piece of writing should be an extended document and include at least one image.

**Evidence requirements**

- (i) Select and use a form and style of writing that is appropriate to your purpose and complex subject matter.
- (ii) Organise relevant information clearly and coherently, using specialist vocabulary when appropriate.
- (iii) Ensure your text is legible and your spelling, grammar and punctuation are accurate so your meaning is clear.

**Possible Opportunities**

All modules, and the Business Project in particular, offer opportunities for candidates to produce different types of extended document, such as reports or essays, on complex subjects. Additionally the most appropriate in terms of using suitable images are given below.

The Nature of Business (in module 2871) provides opportunities for candidates to produce an extended document, including images, from their own research using suitable sources such as textbooks and journal articles, on the complex subject of the different classifications and sectors of business.

Further Marketing (module 2874) provides opportunities for candidates to produce an extended document on a complex subject, including images, from their own research using suitable sources such as textbooks.

Further People in Organisations (module 2876): Deciding Employment Issues offers the opportunity for candidates to achieve all of Communication Level 3 including producing a report on a complex subject, which could include a suitable image.

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## N3 Application of Number Level 3

### You must:

Plan and carry through at least one substantial and complex activity that includes tasks for N3.1, N3.2 and N3.3.

---

**N3.1** Plan, and interpret information from two different types of sources, including a large data set.

### Evidence requirements

- (i) Plan how to obtain and use the information required to meet the purpose of your activity.
- (ii) Obtain the relevant information.
- (iii) Choose appropriate methods for obtaining the results you need and justify your choice.

### Possible opportunities

The opportunities outlined below could be suitable for Application of Number N3.1 as regards planning how to obtain and use information, obtaining the relevant information and choosing appropriate methods for obtaining the results.

Module 2874 provides an opportunity for candidates to carry out an exercise involving data sampling methods.

In Module 2875 the Budgets, Accounts, Costs and Costing section offers opportunities for candidates to interpret information from two different sources.

Capacity Utilisation (in module 2877) offers opportunities for considering methods of measuring, maintaining and improving capacity utilisation.

Modules 2872, 2873, 2878 and 2879 also provide opportunities for candidates to meet the evidence requirements.

**N3.2** Carry out multi-stage calculations to do with:

- (a) amounts and sizes;
- (b) scales and proportion;
- (c) handling statistics;
- (d) rearranging and using formulae.

You should work with a large data set on at least **one** occasion.

**Evidence requirements**

- (i) Carry out calculations to appropriate levels of accuracy, clearly showing your methods.
- (ii) Check methods and results to help ensure errors are found and corrected.

**Possible opportunities**

The opportunities for the generation of evidence outlined below could be suitable for Application of Number N3.2 as regards carrying multi-stage calculations.

Module 2874 provides an opportunity for candidates to carry out an exercise involving calculations to do with amounts, sizes and statistics.

In module 2875, the Budgets, Accounts, Costs and Costing offer opportunities for candidates to carry out calculations using formulae.

Capacity Utilisation (in module 2877) offers opportunities for considering methods of measuring, maintaining and improving capacity utilisation.

Modules 2872, 2873, 2878 and 2879 also provide relevant opportunities.

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**N3.3** Interpret results of your calculations, present your findings and justify your methods. You must use at least one graph, one chart and one diagram.

**Evidence requirements**

- (i) Select appropriate methods of presentation and justify your choice.
- (ii) Present your findings effectively.
- (iii) Explain how the results of your calculations relate to the purpose of your activity.

**Possible opportunities**

The opportunities for the generation of evidence outlined below could be suitable for Application of Number N3.3 as regards interpreting results of calculations, presenting findings and justifying methods.

Module 2874 provides an opportunity for candidates to interpret results using graphs and charts.

In module 2875, the Budgets, Accounts, Costs and Costing section offers opportunities for candidates to interpret the results of calculations, although there may not be an opportunity to use a graph, chart or diagram.

Capacity Utilisation (in module 2877) offers opportunities for interpreting the results of calculations and presenting findings.

Modules 2872, 2873, 2878 and 2879 also provide relevant opportunities.

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## IT3 IT Level 3

### You must:

Plan and carry through at least one substantial activity that includes tasks for IT3.1, IT3.2 and IT3.3

- 
- IT 3.1** Plan, and use different sources to search for, and select, information required for two different purposes.

### Evidence requirement

- (i) Plan how to obtain and use the information required to meet the purpose of your activity.
- (ii) Choose appropriate sources and techniques for finding information and carry out effective searches.
- (iii) Make selections based on judgements of relevance and quality.

### Possible opportunities

Modules 2871, 2872, 2873, 2874 and 2878, where candidates can select and read material containing relevant information, may be suitable opportunities to search for and select information from ICT-based sources such as CD-ROM and the Internet. Tasks undertaken in module 2879 may also provide relevant opportunities.



**IT 3.2** Explore, develop, and exchange information and derive new information to meet two different purposes.

**Evidence requirements**

- (i) Enter and bring together information in a consistent form, using automated routines where appropriate.
- (ii) Create and use appropriate structures and procedures to explore and develop information and derive new information.
- (iii) Use effective methods of exchanging information to support your purpose.

**Possible opportunities**

Further Marketing (module 2874) offers the opportunity for candidates to carry out a market research assignment and explore, develop and exchange information and derive new information by generating charts and drafts from data and preparing reports from a database.

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**IT3.3** Present information from different sources for two different purposes and audiences. Your work must include at least one example of text, one example of images and one example of numbers.

**Evidence requirements**

- (i) Develop the structure and content of your presentation using the views of others, where appropriate, to guide refinements.
- (ii) Present information effectively, using a format and style that suit your purpose and audience.
- (iii) Ensure your work is accurate and makes sense.

**Possible opportunities**

All modules, and the Business Project (module 2878) in particular, offer opportunities for candidates to word process different types of extended document, such as reports or essays, including numbers and images.

Where opportunities have been indicated under Communication C3.3 for candidates to produce documents, the opportunity also exists for such documents to be presented using a word processor.

The Nature of Business (in module 2871) provides opportunities for candidates to word process an extended document, including images.

Tasks undertaken in module 2879 may also provide relevant opportunities.

Further Marketing (module 2874) provides opportunities for candidates to word process an extended document on a complex subject, including images.

Budgets, Formulae, Costs and Costing, (in module 2875) provides opportunities for candidates to use spreadsheets to derive new information such as total/average debtor, to explore the effect of changing information, to convert information into graph format and to select and use appropriate layouts for the presentation of information. This would generate evidence for both IT3.2 and 3.3.

Decision-making provides an opportunity for candidates to carry out a practical exercise using integrated spreadsheet, database and word processing facilities to manage and present information.

Deciding Employment Issues (in module 2876) offers the opportunity for candidates to word process a report on a complex subject, which could include a suitable image.

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## WO3 Working with Others Level 3

### You must:

Provide at least one substantial example of meeting the standard for WO3.1, WO3.2 and WO3.3 (you must show you can work in both one-to-one and group situations).

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**WO3.1** Plan complex work with others, agreeing objectives, responsibilities and working arrangements.

### Evidence requirements

- (i) Agree realistic objectives for working together and what needs to be done to achieve them.
- (ii) Exchange information, based on appropriate evidence, to help agree responsibilities.
- (iii) Agree suitable working arrangements with those involved.

### Possible opportunities

See WO3.3

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**WO3.2** Seek to establish and maintain co-operative working relationships over an extended period of time, agreeing changes to achieve agreed objectives.

### Evidence requirements

- (i) Organise and carry out tasks so you can be effective and efficient in meeting your

responsibilities and produce the quality of work required.

- (ii) Seek to establish and maintain co-operative working relationships, agreeing ways to overcome any difficulties.
- (iii) Exchange accurate information on progress of work, agreeing changes where necessary to achieve objectives.

**Possible opportunities**

See WO3.3

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**WO3.3** Review work with others and agree ways of improving collaborative work in the future.

**Evidence requirements**

- (i) Agree the extent to which work with other has been successful and the objectives have been met.
- (ii) Identify factors that have influenced the outcome.
- (iii) Agree ways of improving work with others in the future.

**Possible opportunities for WO3.1, WO3.2 and WO3.3**

Opportunities exist during the teaching and learning process for all AS/A Level Business Studies modules for candidates to carry out tasks in groups.

Further Marketing (module 2874) provides an opportunity for candidates to carry out a market research exercise as a group.

Decision-making provides an opportunity for candidates to carry out a practical exercise in data collection, which could be a group activity.

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## **LP3 Learning Performance Level 3**

**You must:**

Provide at least one substantial example of meeting the standard for LP3.1, LP3.2 and LP3.3.

**LP3.1** Agree targets and plan how these will be met over an extended period of time, using support from appropriate people.

**Evidence requirements**

- (i) Seek information on ways to achieve what you want to do, and identify factors that might affect your plans.
- (ii) Use this information to agree realistic targets with appropriate people.
- (iii) Plan how you will effectively manage your time and use of support to meet targets, including alternative action for overcoming possible difficulties.

**Possible opportunities**

See LP3.3.

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**LP3.2** Take responsibility for your learning by using your plan, and seeking feedback and support from relevant sources to help meet your targets.

Improve your performance by:

- Studying a complex subject;
- Learning through a complex practical activity;
- Further study or practical activity that involves independent learning.

**Evidence requirements**

- (i) Manage your time effectively to complete tasks, revising your plan as necessary.
- (ii) Seek and actively use feedback and support from relevant sources to help you meet targets.
- (iii) Select and use different ways of learning to improve your performance, adapting approaches to meet new demands.

**Possible opportunities**

See LP3.3

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**LP3.3** Review progress on two occasions and establish evidence of achievements, including how you have used learning from other tasks to meet new demands.

**Evidence requirements**

- (i) Provide information on the quality of your learning and performance, including factors that have affected the outcome.
- (ii) Identify targets you have met, seeking information from relevant sources to establish evidence of your achievements.
- (iii) Exchange views with appropriate people to agree ways to further improve your performance.

**Possible opportunities**

The modular framework of these specifications encourages candidates to take responsibility for their own learning.

The opportunity exists throughout the process of delivering the Advanced Subsidiary GCE and Advanced GCE Business Studies for developing this Key Skill.

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## **PS3 Problem Solving Level 3**

**Your must:**

Provide at least one substantial example of meeting the standard for PS3.1, PS3.2 and PS3.3.

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**PS3.1** Explore a complex problem, come up with three options for solving it and justify the option selected for taking forward.

**Evidence requirements**

- (i) Explore the problem, accurately analysing its features, and agree with others on how to show success in solving it.
  - (ii) Select and use a variety of methods to come up with different ways of tackling the problem.
  - (iii) Compare the main features of each possible option, including risk factors, and justify the option you select to take forward.
-

**Possible opportunities**

Further Accounting and Finance: Costs and Costing (in module 2875) offers the opportunity for candidates to tackle the problem of establishing where costs are too high.

The Business Project (module 2878) and the Business Thematic Enquiry (module 2879) both provide opportunities for candidates to develop problem solving skills.

Modules 2872 and 2873 may also provide relevant opportunities.

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**PS3.2** Plan and implement at least one option for solving the problem, review progress and revise your approach as necessary.

**Evidence requirements**

- (i) Plan how to carry out your chosen option and obtain agreement to go ahead from an appropriate person.
- (ii) Implement your plan, effectively using support and feedback from others.
- (iii) Review progress towards solving the problem and revise your approach as necessary.

**Possible opportunities**

The opportunities identified above for development of PS3.1 and generation of evidence may also be suitable for PS3.2.

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**PS3.3** Apply agreed methods to check if the problem has been solved, describe the results and review your approach to problem solving.

**Evidence requirements**

- (i) Agree with an appropriate person, methods to check if the problem has been solved.
- (ii) Apply these methods accurately, draw conclusions and fully describe the results.
- (iii) Review your approach to problem solving, including whether alternative methods and options might have proved more effective.

**Possible opportunities**

The opportunities identified above for development of PS3.1 and generation of evidence may also be suitable for PS3.3.

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## Appendix B

# Module 2879: Business Thematic Enquiry - Specimen Case Study

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### Requirement

Consider the data below and in the light of this and your own local studies advise Jean and Philip Edgerton on whether they should go ahead with a plan to open a business.

Your answer should be written as a report in which you have:

- outlined the overall requirements associated with setting up a business
- selected from your own studies, and from the data below, the evidence you consider most significant in the context of this situation
- synthesised and analysed it in ways appropriate to the problem
- produced a logical and balanced argument on the basis of this evidence and from it arrived at your advice to the potential owners of 'Edgerton computers'

You are reminded that marks are awarded for written communication skills and for the overall presentation of your report and that, within it, you are expected to explain, critically evaluate and use appropriate business studies knowledge.

### Edgerton Computers

Jean and Philip Edgerton both have experience in the computer service industry. Jean has worked as a computer service manager for a nationwide computer service firm and Philip has been a computer service engineer for a small firm largely concerned with repairs, maintenance and service calls. Jean and Philip intend to set up in business on their own. They aim to provide sales, software and maintenance services largely for private clients. Their service will include advice on the kind of hard and software which might suit the needs of potential customers. They will install and set up, maintain and repair systems.

They consider the business will need £500,000 in total initial capital and can provide £350,000 themselves. They propose to approach the bank for the rest. They have not yet decided what the legal structure of the business should be but Philip has some worries because the small business he works for finds it a great and continuing struggle to survive.

Jean and Philip propose to call their business "Edgerton Computers". They have worked out some objectives for their business and they are planning to start in January 2003. Their objectives to be achieved by the end of the first year are:

- Achieve a minimum sales turnover of £900,000
- Reach a net profit before tax of £100,000
- Capture a small and largely local market for their services
- Build a foundation for small but steady future growth

**Figure 1: Workforce**

	<b>Role</b>	<b>Salary/Wage</b>
Philip Edgerton	Service and Engineering Manager working himself and controlling the work of two others plus a van driver.	£20,000
Jean Edgerton	Customer manager controlling two others working in the shop and visiting customers to advise and install. Jean will also be responsible for VAT, PAYE and other financial matters.	£20,000
A N Other x 2	To work with Philip largely in the workshop but available to go out on service and advice calls.	£12,000 each
Van Driver	Working a standard working week. Driving and completing simple maintenance on the van.	£200 pw
A N Other x 2	To work in the shop with Jean. Initially one will have responsibility for the office and general reception.	£250 pw

No recruiting has yet been undertaken and employment may well build up to the five employees who will assist the two owners.

**The Market**

Jean knows that for firms like the large one she works for, the market is buoyant, varied and growing. It is also volatile. Philip knows that the market for small businesses like the one they propose is difficult to target but he is convinced that this is largely due to the dull and unattractive image of his employers and the high price strategy they have adopted. Jean and Philip are convinced that they can attract a sufficient market through:

- A high mark up on the service aspects of the business relying on the quality of the service to attract customers
- A low mark up on hardware but a higher one on associated software
- An attractive credit policy working in conjunction with a credit agency
- Significant price discounts on complete packages
- A bright modern image
- Rapid response to all service calls
- an attractive after sales agreement



Their market research is largely based on their respective observations in the firms they work for and some time spent discussing these matters with a successful marketing consultant in the field.

**Location**

Jean and Philip considered the value of premises in the centre of town but decided the lease costs of over £120,000 a year, on average, would outweigh the benefits which Jean saw largely as possible increases in minor shop sales. For these reasons, they have decided to take the lease on an out of town site. Jean and Philip agree that effective promotion and the development of a good reputation will more than offset the disadvantages of location in a side street half a mile from the centre of town. There is no parking potential, other than room for loading and unloading and a garage for the van. There is public parking, at a small charge, 50 yards away. There is virtually no pedestrian traffic passing the business except those going to and from the car park. The lease they are proposing to accept is for five years initially, subject to six months notice either side. Leases in the centre would be annual with six months notice.

**Figure 2: Cost Estimates**

Type	Amount	
<b>Lease</b>	<b>45,000</b>	They would like to purchase at £180,000
<b>Fixtures and Fittings</b>	<b>12,000</b>	
<b>Initial Stock</b>	<b>30,000</b>	In shop stock for demonstration only
<b>Overheads</b>	<b>60,000</b>	
<b>Set up Costs</b>	<b>68,000</b>	Includes £50,000 equipment and tools
<b>Marketing Costs</b>	<b>25,000</b>	Including promotion, distribution, transport
<b>Servicing Costs</b>	<b>80,000</b>	Includes initial purchase of van
<b>Wage Bill</b>	<b>100,000</b>	The employment plan would exceed this
<b>Cost of Sales</b>	<b>300,000</b>	
<b>Induction + Training</b>	<b>8,000</b>	Includes initial and continuous training
<b>Other Costs</b>	<b>180,000</b>	Will vary with the volume of business

**Figure 3: Sales Projections**

The following targets are set for the first year of business

<b>Hardware</b>	<b>300,000</b>	Packages and individual items
<b>Software</b>	<b>200,000</b>	
<b>Advisory Services</b>	<b>275,000</b>	
<b>Equipment Servicing</b>	<b>300,000</b>	
<b>Shop Sales, Minor Items</b>	<b>25,000</b>	