

Pearson Edexcel GCE

Applied Business

**Unit 8: Business Development
Externally Set Assignment
Information for Candidates**

June 2014

Paper Reference

6923/01

You do not need any other materials.

Instructions

- Please ensure you read this document carefully.

Turn over ►

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PEARSON

GCE Applied Business Unit 6923: Business Development

This externally set assignment is about starting up, running and developing your own business.

Operating under a franchise agreement or taking over an existing business are NOT options open to you.

Scenario

You have always wanted to work for yourself and have dreamed of starting up, running and developing your own business. You have recently received a legacy from one of your grandparents of **£15 000** and feel that the time is right to fulfil your dream and open up a small business, operating as a **sole trader** or a **partnership**.

You realise that the legacy will not be sufficient to cover all the costs of starting up the business, and that you will need to obtain additional finance from other sources. The total start-up capital should not exceed **£75 000**.

In order to secure this additional finance, you will need to carry out detailed research and planning and present the information in a business development plan, in an appropriate format. This should clearly demonstrate your business idea as a potentially viable concern worthy of investment. Your business development plan should clearly explain your idea and the related costs to potential investors.

You must produce the following assessment evidence for this unit.

You must create a business development plan in order to convince potential investors. It is important that your business development plan clearly shows the following:

The Business Idea (8.1)

- an analysis of the outcomes of your primary and secondary research (include data and findings as Appendix 1)
- reasons for your choice of business
- reasons for rejecting other business ideas
- reasons for choice of either sole trader or partnership
- aims and objectives of your business
- likely competitors for the product or service
- the marketing mix and strategies for your business
- any additional market analysis and evaluation to further justify the development of your business.

Quality of Written Communication (QWC)

Strand A includes 3 marks for QWC.

In Mark Band 1, everyday language will be evident and the work may lack clarity and organisation with spelling and punctuation used with limited accuracy.

In Mark Band 2, the learner will use some specialist terms and the work will demonstrate some focus and organisation. Spelling, punctuation and the rules of grammar will be used with some accuracy.

In Mark Band 3, the learner will use appropriate specialist terms consistently and the work will demonstrate good focus and organisation. Spelling, punctuation and the rules of grammar will be used with considerable accuracy.

(28 marks)

Resource and Quality Issues (8.2)

- the quantity to be produced or the level of service offered including the production process
- physical (including premises) and human resources and costs
- quality assurance and control
- efficient management of resources and the business
- any relevant legal, economic, technical and environmental constraints.

(14 marks)

Financial Resources (8.3)

- sources of finance
- start-up budget and working capital requirements
- cash flow forecast for year one, including an explanation of inflows and outflows
- opening balance sheet
- projected closing balance sheet for year one and year three
- forecast profit and loss for year one and year three
- break-even forecast for year one
- an explanation of the likely changes (legal, economic, political, technical and environmental) and their impact on the finance of the business, that will take place over three years.

(27 marks)

Feasibility and Evaluation

- projection of the business position by the end of year three
- 'what-if' scenarios through the consideration of cash flow, profitability and liquidity
- an evaluation of a SWOT analysis of your chosen business
- calculation of key ratios, analysis and evaluation over three years
- a recognition of any seasonal, cyclical or other effects that may arise
- justified conclusions and recommendations.

(21 marks)

Instructions for the conduct of the assessment

1. Centres should note that this unit is only available in the summer series, and that marks and candidates' work can only be submitted then.
2. The given scenario is the only vehicle for the assessment of Unit 8: Business Development.
3. Apart from this document there will be no examination paper for the assessment.
4. Assessment will be carried out by centre assessors, whose decisions will be subject to moderation by Edexcel's external moderators.
5. Work must be carried out under controlled conditions.
6. Candidates can spend no more than a total of 15 hours in controlled conditions when completing this externally set assignment.
7. Candidates' work must be completed, assessed and internally standardised by the centre before the deadline for the submission of marks.
8. Candidate marks must be entered via Edexcel Online or on the appropriate OPTEMS forms and returned to Edexcel by the deadline for the submission of marks.
9. Once the work has been assessed and internally moderated, the sample as indicated on the OPTEMS or Edexcel Online must be forwarded to the named moderator by the published deadline.

Assessment of Unit 8

The externally set assignment for Unit 8 is only available on the Edexcel website (www.edexcel.com) for examination in June 2014.

The externally set assignment must be carried out under controlled conditions, which provide an effective way of verifying coursework authenticity.

Controlled conditions are defined as follows:

- Work must be done in the classroom and/or at a computer and must be supervised to ensure candidates' work can be authenticated.
- Candidates may have access to the externally set assignment, research notes, dictionary and calculator.
- Candidates must not, under any circumstances, access the internet while working under controlled conditions.
- Candidates will be given the externally set assignment in advance of the controlled conditions and may spend time identifying a valid business opportunity in preparation for the controlled conditions.
- There are no restrictions on formative research that is undertaken in advance of the controlled conditions. The extent of preliminary research must, however, be outlined on the 'Declaration of Assessment Conditions' form on page 7 of this document.
- The business development plan created during these controlled conditions should be of a suitable quality to submit to a provider of finance.
- Candidates should be given a maximum of 15 hours in controlled conditions to satisfy the requirements of the externally set assignment.
- The 15 hours of controlled conditions may be spread over a number of days or weeks.
- In the likely event that the work is not completed in a single session, the work must be stored securely until the next controlled session.
- A record must be kept of when and under what conditions the work in the candidate's folder was completed. The 'Declaration of Assessment Conditions' form, found on page 7 of this document, must be completed.
- In order to enable work to be assessed and moderated accurately, candidates must maintain a log of all sources of information they have accessed and/or used. This should be attached to the submitted work as an appendix.
- Teachers and candidates are required to sign the mark record sheet to authenticate this is the candidate's own work. This must be submitted with the candidate's work.

Unit 8 – Business Development Assessment Criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a)* AO1, AO2, AO3, AO4 QWC (i-iii)	<p>Potential business idea selected, giving basic reasons for choice and viability and outlining marketing/promotional strategies and identifying competitor information.</p> <p>The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p> <p>(0-14)</p>	<p>Sound information on business idea supported by evidence of viability and detailed strategies with some justification of proposal. Sound information on competitors.</p> <p>The learner uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.</p> <p>(15-22)</p>	<p>Comprehensive and original ideas with fully supported and justified evidence and proposals. Comprehensive and original information on competitors.</p> <p>The learner uses appropriate specialist terms consistently and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p> <p>(23-28)</p>	28
(b) AO1, AO2, AO3	<p>Resource requirements and quality issues dealt with at basic level.</p> <p>(0-7)</p>	<p>Resources and quality issues soundly presented, with relevant examples and good application.</p> <p>(8-11)</p>	<p>Resources and quality issues comprehensively presented, with fully supported detailed evidence.</p> <p>(12-14)</p>	14
(c) AO1, AO2, AO3, AO4	<p>A finance plan providing the basic information required for sources, budgets, cashflow, break-even and accounts.</p> <p>(0-13)</p>	<p>Detailed finance plan covering all required aspects showing independence of thought and clear understanding.</p> <p>(14-20)</p>	<p>Comprehensive, professionally presented finance plan with accurate application and analysis of forecasts showing originality, independence of thought and clear understanding.</p> <p>(21-27)</p>	27
(d) AO1, AO2, AO3, AO4	<p>A simple evaluation of the business position at year-end and projected for three years hence.</p> <p>(0-10)</p>	<p>Sound analysis and evaluation of present and projected position showing independence of thought.</p> <p>(11-16)</p>	<p>Comprehensive analysis and evaluation of present and projected position with detailed and original recommendations and justified conclusions.</p> <p>(17-21)</p>	21

Edexcel GCE in Applied Business – Unit 8 Mark Record Sheet

Unit 8: Business Development							Edexcel use only
Assessment evidence	Annotation and page number	Mark Band			Centre mark		
		1	2	3			
(a)		0 – 14	15 – 22	23 – 28			
(b)		0 – 7	8 – 11	12 – 14			
(c)		0 – 13	14 – 20	21 – 27			
(d)		0 – 10	11 – 16	17 – 21			
Final total							

Declaration of Authentication: I declare that the work submitted for the assessment has been carried out without assistance other than that which is acceptable under the scheme of assessment (unless indicated on the back of this mark record sheet).

Signed (candidate) Date

Signed (teacher) Date

Declaration of Assessment Conditions

Edexcel GCE in Applied Business

Unit 8: Business Development

Centre no: Centre name:

Candidate no: Candidate name:

Time spent under Controlled Conditions:

Work Completed in preparation for Controlled Assessment:

Work Completed under Controlled Conditions:

I declare that work submitted for assessment and the information above is accurate and acceptable under the scheme of assessment.

Candidate

Teacher Name:

Signature:

Teacher Signature:



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