

GCE Business Studies

OCR Advanced Subsidiary GCE in Business Studies H030

OCR Advanced GCE in Business Studies H430

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specification

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1 About these Qualifications

This booklet contains OCR's Advanced Subsidiary GCE and Advanced GCE specifications in Business Studies for teaching from September 2008.

These specifications will enable candidates to:

- investigate different types of organisations in various business sectors and environments, recognising that they face varying degrees of competition;
- identify business problems;
- plan appropriate investigations into such problems;
- promote a holistic understanding of business and enterprise;
- make justifiable decisions using both qualitative and quantitative methods, taking into account opportunity cost.

1.1 The Two-Unit AS

The Advanced Subsidiary GCE is both a 'stand-alone' qualification and also the first half of the corresponding Advanced GCE. The AS GCE is assessed at a standard appropriate for candidates who have completed the first year of study (both in terms of teaching time and content) of the corresponding two-year Advanced GCE course, ie between GCSE and Advanced GCE.

From September 2008 The AS GCE is made up of **two** mandatory units which are externally assessed and form 50% of the corresponding four-unit Advanced GCE.

The AS specification includes the following core knowledge, understanding and skills:

- marketing;
- accounting and finance;
- people in organisations;
- operations management.

1.2 The Four-Unit Advanced GCE

From September 2008 The Advanced GCE is made up of **two** mandatory units at AS and **two** further units at A2. These A2 units are also externally assessed.

The A2 part of the Advanced GCE specification includes the following core knowledge, understanding and skills:

- business objectives and strategy;
- external influences;
- business analysis;
- change.

1.3 Qualification Titles and Levels

These qualifications are shown on a certificate as:

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

Both qualifications are Level 3 in the National Qualification Framework (NQF).

1.4 Aims

The aims of these specifications are to encourage candidates to:

- develop an enthusiasm for studying business;
- gain a holistic understanding of business;
- develop a critical understanding of organisations and their ability to meet society's needs and wants;
- understand that business behaviour can be studied from a range of perspectives;
- generate enterprising and creative solutions to business problems and issues;
- be aware of the ethical dilemmas and responsibilities faced by organisations and individuals;
- acquire a range of relevant business and generic skills, including decision making, problem solving, challenging assumptions and quantifying and managing information.

1.5 Prior Learning/Attainment

No prior knowledge of the subject is required. The specifications build on, but do not depend on, the knowledge, understanding and skills specified for GCSE Business Studies. It is recommended that candidates have attained communication and literacy skills at a level equivalent to GCSE Grade C in English.

2 Summary of Content

2.1 AS Units

Unit F291: *An Introduction to Business*

- The nature of business
- Classification of business
- Objectives
- Other influences

Unit F292: *Business Functions*

- Marketing
 - Accounting and finance
 - People in organisations
 - Operations management
-

2.2 A2 Units

Unit F293: *Marketing*

- The market
 - Market segmentation
 - Market research
 - Marketing planning
 - Models of marketing
 - The marketing mix
-

Unit F294: *Accounting*

- Accounting perspective
- Accounting concepts
- Sources of finance
- Budgets
- Costs and costing
- Final accounts
- Accounting for decisions

Unit F295: *People in Organisations*

- Human relations
- Communication
- Organisation and controlling the activities of people at work
- Employer/employee relations
- Employee participation
- Methods of remuneration
- Training
- Appraisal
- Workforce performance measurement criteria

Unit F296: *Business Production*

- Management and the production process
- Constraints on production
- Cost and costings
- Productive efficiency
- Technology
- Research and development

Unit F297: *Strategic Management*

- Business objectives and strategy
 - Business analysis
 - External influences
 - Change
-

3 Unit Content

3.1 AS Unit F291: *An introduction to Business*

This unit considers the way in which businesses operate and the effect of the external business environment. 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 unit should be studied within the context of local, national and international constraints on business structure, objectives and environment.

The nature of business

What businesses do

Candidates should be able to:

- identify and explain how businesses add value to resource inputs to meet the needs of stakeholders, customers, managers, suppliers/creditors, owners/shareholders, employees, government, local community;
- define decision-making;
- explain and apply the concept of opportunity cost;
- explain that businesses sell goods and services;
- explain that businesses sell to individuals and businesses.

What businesses need

Candidates should be able to:

- evaluate sources of finance: short-term, medium-term, long-term;
- discuss the relationship between sources and legal identity;
- demonstrate an understanding of cash flow and discuss its importance;
- analyse and discuss the significance of labour, human-resource planning; relationship between organisation objectives and human resources; work-force planning; recruitment, selection, induction, training, severance (*a knowledge of principles of employment law and rights and duties of employees and employers is **not** required*);
- analyse and discuss the significance of market information; market research and analysis;
- demonstrate an understanding of sources and methods of data collection, primary and secondary;
- discuss reasons for, methods of, and limitations of sampling; analysis of competition;
- demonstrate an understanding of customers and suppliers;
- analyse and discuss the significance of organisation; managerial coordinating behavioural activities.

Accountability	Candidates should be able to: <ul style="list-style-type: none"> discuss the significance of accountability to owners and other stakeholders (<i>a detailed knowledge of social and corporate responsibility is not required</i>).
Classification of business	
Economic sector	Candidates should be able to: <ul style="list-style-type: none"> demonstrate an understanding of primary, secondary, tertiary sectors.
Size	Candidates should be able to: <ul style="list-style-type: none"> calculate, analyse and interpret typical measures, eg turnover, profit, employees; analyse and discuss the significance of economies and diseconomies of scale.
Legal Structure	Candidates should be able to: <ul style="list-style-type: none"> demonstrate an understanding of sole trader, partnership, private limited company, public limited company; franchises as a type of business and discuss the reasons for the choice of a particular form of business ownership.
Ownership	Candidates should be able to: <ul style="list-style-type: none"> demonstrate an understanding of public and private ownership.
Objectives	
Corporate objectives	Candidates should be able to: <ul style="list-style-type: none"> discuss the central nature and role of objectives at corporate and departmental level; different types of objectives and their changing nature; risk, reward and ownership; entrepreneurship.
Stakeholders	Candidates should be able to: <ul style="list-style-type: none"> discuss possible conflict between views of different stakeholder(s).
The market	
The market	Candidates should be able to: <ul style="list-style-type: none"> analyse and assess the impact of the dynamic and challenging market place; describe and explain factors influencing demand and the factors influencing supply; demonstrate an understanding of the interaction of supply and demand and equilibrium, explain the effects of excesses and shortages; demonstrate an understanding of different market structures, impact of competition.
Other influences	

Technological change

Candidates should be able to:

- analyse and discuss the opportunities and threats resulting from technological change; new products and production methods.

Social and cultural

Candidates should be able to:

- analyse and discuss demographic changes, consumer and employee patterns and influences of other stakeholders.

Moral and ethical

Candidates should be able to:

- recognise and assess possible conflict in addressing different perspective(s).
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3.2 AS Unit F292: *Business Functions*

This unit builds upon the knowledge and skills acquired in the study of Unit F291 and should, therefore, be taught concurrently or after Unit F291. The emphasis in the delivery of this unit should be upon the integrative nature of the subject. Candidates should be able to recognise inter-relationships 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, decisions have to be taken in the context of both the organisation's wider objectives and its resources.

Marketing

Marketing objectives

Candidates should be able to:

- discuss marketing's relationship with the objectives of the business.

Market analysis

Candidates should be able to:

- distinguish between customer vs. product orientation;
- identify methods of, and explain reasons for, market segmentation;
- define and measure market share and market growth.

Marketing strategy

Candidates should be able to:

- formulate marketing objectives, strategy and plans;
- analyse and discuss the integrative elements of a marketing plan – marketing mix:
 - **p**roduct: role of product development, product life cycle, portfolio analysis including Boston Matrix;
 - **p**rice: based on cost, competition, customer;
 - **p**lace: channels of distribution;
 - **p**romotion: above and below line.
- calculate and interpret price and income elasticity for decision-making.

Accounting and finance

Budgeting

Candidates should be able to:

- demonstrate an understanding of the nature, and explain the purpose of, budgeting as an aid to decision-making and control; compare budgeted and actual achievements.

Cash-flow forecasting

Candidates should be able to:

- demonstrate an understanding of cash budgets; calculate, interpret and discuss cash-flow forecasts.

Costing

Candidates should be able to:

- identify and explain different types of cost: fixed, variable, marginal, direct, indirect and overhead;
- calculate and explain the uses of contribution.

Break-even analysis	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • calculate and interpret break-even and margin of safety; evaluate break-even analysis as a decision-making tool.
Investment decisions	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • demonstrate an understanding of the need to reduce risk in circumstances of uncertainty; calculate, interpret and evaluate methods of investment appraisal; pay-back period and accounting rate of return.
Final accounts	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • demonstrate an understanding of the content of a profit and loss account and a balance sheet; • explain the role and purpose of, and discuss the limitations of a profit and loss account and a balance sheet.
People in organisations	
Labour turnover	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • calculate and interpret labour turnover and discuss its impacts.
Motivation and leadership	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • discuss the role of motivation and leadership in achieving objectives. • analyse and discuss motivation in theory (such as Taylor, Mayo, Maslow, Herzberg, Peters, Drucker) and practice; enlargement, enrichment, rotation, team-working, participation; • analyse and discuss monetary and non-monetary motivation, management by objectives, delegation, empowerment; payment methods, bonuses, profit-sharing, etc; • analyse and discuss the impact of leadership styles on performance: autocratic, democratic, paternalistic and laissez-faire, and McGregor's Theory X and Theory Y.
Organisation structure and design	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • explain the principles of structure, span of control, hierarchy, de-layering; • demonstrate an understanding of types of structure: centralised and decentralised; • analyse and discuss the likely effect(s) of organisational structure and design on organisational performance.

Operations management

Operational efficiency

Candidates should be able to:

- demonstrate an understanding of scale and analyse and discuss factors affecting choice of operational scale;
- demonstrate an understanding of methods for short-run over capacity-production and analyse and discuss impacts of operating under capacity.

Organising production

Candidates should be able to:

- demonstrate an understanding of job, batch and flow production;
- analyse and evaluate reasons for choice and effects on efficiency.

Quality

Candidates should be able to:

- demonstrate an understanding of the importance of quality: analyse and discuss methods of ensuring quality;
- explain the distinction between quality control and quality assurance (inspection vs. prevention);
- discuss the inter-relationship between quality and motivation and training;
- explain how quality standards are established; benchmarking.

Stock control

Candidates should be able to:

- identify types, explain the purpose and costs of stock; determine buffer stock, reorder level and quantities, lead time; construct and interpret stock-control charts.

Approaches to production

Candidates should be able to:

- demonstrate an understanding of cell and lean production;
 - explain and discuss JIT (Just-in-Time), Kaizen, TQM (Total Quality Management), Kanban;
 - assess methods of reducing waste.
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3.3 A2 Unit F293: *Marketing*

The optional Marketing unit builds upon the content of the AS GCE Units F291 and F292. Candidates are assessed in a context that refers to specific business situations. Candidates are expected to show critical awareness of the theories, concepts and decision-making tools that are integral to marketing and to use them in solving problems and/or making decisions. The approach is an integrated one in which candidates are expected to explain, analyse, evaluate and use marketing information in ways that take into account considerations relating to appropriate aspects of organisational structure and activity and the environment within which marketing activity takes place.

Marketing

The market

Candidates should be able to:

- assess the role of marketing and its role in the achievement of business objectives;
- discuss the need to consider marketing in relation to other factors and other decisions;
- discuss the marketing function in relation to other departments.

Market segmentation

Candidates should be able to:

- demonstrate an understanding of market segmentation and classification and assess the usefulness of these techniques;
- calculate, interpret and analyse market share and market growth;
- analyse and assess factors influencing buyer behaviour;
- demonstrate an understanding of marketing and the law.

Market research

Candidates should be able to:

- demonstrate an understanding of the nature of market research;
- explain the purpose of, and assess methods of market research;
- demonstrate an understanding of sources of information (desk/field to gather primary/secondary data) and assess the appropriateness of each source of information;
- analyse and assess sampling methods: random, stratified, cluster, systematic, quota, and convenience;
- assess the costs and benefits of market research;
- demonstrate a quantitative understanding of sampling; make use of normal distribution; calculate standard deviation;
- demonstrate an understanding of sampling error.

Marketing planning	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● discuss the significance of the market plan; ● formulate, analyse and assess marketing objectives; ● demonstrate an understanding of, and assess the development of, marketing strategies; ● demonstrate an understanding of, and assess the usefulness/appropriateness of, international marketing; role of the EU.
Models of marketing	<p>Candidates should be able to understand and discuss the significance of:</p> <ul style="list-style-type: none"> ● AIDA (Awareness, Interest, Desire, Action), DAGMAR (Defining Advertising Goals for Measured Advertising Results) and SWOT (Strengths, Weaknesses, Opportunities, Threats) and be able to apply the models in appropriate situations.
The marketing mix	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● analyse and discuss elements of the mix: <ul style="list-style-type: none"> – product: value analysis, product life-cycle, Boston Matrix, product portfolio, product differentiation; – pricing: elasticity, pricing strategies, skimming, penetration, competition-based, psychological, cost-based, absorption, marginal, contribution, target-based, full-cost based; price discrimination; – promotion: advertising, sales promotion, personal selling, branding, elasticity, above- and below-the-line methods; – distribution: location, patterns of distribution, physical distribution and distribution channels; ● assess possible methods of blending the above and/or consider each as a separate strategy; analyse and assess the impact of one aspect on another.

3.4 A2 Unit F294: *Accounting*

The optional Accounting unit builds upon the AS GCE Units F291 and F292. Candidates are assessed in a context that 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 and/or make decisions. The approach is strategic and integrated. Candidates are expected to explain, analyse, evaluate and use information relating to accounting in ways that take into account considerations relating to the organisation as a whole and the environment within which decisions are made. The ability to discuss and evaluate accounting procedures and methods is regarded as of equal importance to the ability to use numerical data accurately and effectively.

Accounting

Accounting perspective

Candidates should be able to:

- discuss the need to consider accounting data in relation to other factors and other decisions in all situations;
- discuss the accounting function in relation to other departments;
- demonstrate an understanding of the application of information technology to accounting.

Accounting concepts

Candidates should be able to:

- demonstrate an understanding of the accounting conventions consistency, going concern, matching (accruals) materiality, objectivity, prudence (conservatism) and realisation;
- apply and demonstrate a critical awareness of these conventions.

Sources of finance

Candidates should be able to:

- evaluate internal and external sources of finance;
- analyse current finance patterns using gearing, liquidity, profitability, shareholder and performance ratios;
- discuss the inter-relationship with legal structures;
- analyse and discuss factors which influence choice of finance in familiar and unfamiliar business situations;
- assess the costs and benefits of different sources of finance.

Budgets

Candidates should be able to:

- discuss budgets and objectives;
- discuss the ways in which a business might establish priorities;
- calculate, interpret, analyse and discuss business performance through variance analysis.

Costs and costing

Candidates should be able to:

- demonstrate an understanding of the nature of standard costs and explain their purpose;
- recognise and comment upon situations in which standard costs are used;
- interpret and make use of standard costs;
- analyse and discuss the purpose and use of cost centres and profit centres;
- calculate, interpret and discuss the allocation of costs: full, absorption and marginal;
- demonstrate an understanding of costs and their impacts on decisions: calculate and demonstrate an understanding of contribution and profit.

Final accounts

Candidates should be able to:

- construct and modify final accounts;
- explain, interpret and analyse the constituent elements of assets and liabilities and profit/loss account entries;
- construct and analyse cash-flow statements;
- demonstrate an understanding of the constituent elements of a profit and loss account and a balance sheet;
- analyse and discuss the valuation of assets: fixed assets, investments, patents, goodwill debtors, bad debts, stocks;
- calculate, interpret and discuss depreciation: straight line and declining balance methods;
- demonstrate an understanding of other provisions eg bad debts;
- discuss the importance of changing asset values;
- demonstrate an understanding of current liabilities and owners' equity;
- interpret and make use of final accounts (from the perspective of actual and potential stakeholders);
- demonstrate an understanding of the annual report and disclosure requirements and explain why the law intervenes.

Accounting for decisions

Candidates should be able to:

- allocate fixed costs: identify alternative methods and explain reasons for their use; calculate and discuss the effects of the use of different methods on reported profits;
- make, analyse and discuss decisions using break-even analysis (simple and complex models);
- use contribution information and calculations to determine whether an activity should be increased or reduced;
- calculate, interpret and evaluate methods of investment appraisal; dcf (discounted cash flow), npv (net present value) and irr (internal rate of return).

3.5 A2 Unit F295: *People in Organisations*

The optional People in organisations unit builds upon the content of the AS GCE units F291 and F292. Candidates are assessed in a context that refers to specific business situations. Candidates are expected to show critical awareness of issues related to the human resources aspects of business and to use them in solving problems and/or making decisions. The approach is an integrated one in which candidates are expected to explain, analyse, evaluate and use information relating to people in ways that take into account considerations relating to appropriate aspects of organisational structure and activity and the environment within which human resources activity takes place.

People in organisations

Human resources function

Candidates should be able to:

- assess the role of human resources and its role in the achievement of business objectives;
- discuss the need to consider human resources in relation to other factors and other decisions;
- discuss the human resources function in relation to other departments.

Communication of business objectives

Candidates should be able to:

- discuss the impact of individual and group behaviour on effective communication within organisations;
- demonstrate an understanding of formal and informal groups, explain the needs that people and groups satisfy and assess the negative and/or positive impact(s) that groups can have on effective communication within an organisation;
- demonstrate an understanding of group norms: identify objectives, discuss how they affect individual and group behaviour, assess the extent to which communication can be facilitated/inhibited by group norms;
- demonstrate an understanding of methods of communication and assess the effectiveness of these methods both internally (within the organisation) and externally (eg with relevant stakeholders).

Organisation and controlling the activities of people at work

Candidates should be able to:

- analyse and discuss the significance of motivating, co-ordinating and planning people at work; explain the function(s) of each department and assess the importance of effective departmental inter-relationships on performance within the organisation;
- assess the contribution of line/staff relationships to these processes and to organisational performance;
- demonstrate an understanding of product/systems; analyse and assess the implication(s) of organising on a production or systems basis;
- discuss the causes and consequences of motivation and morale related problems in an organisation;
- apply, analyse and discuss the use of motivation theory (such as Taylor, Mayo, Maslow, Herzberg, Peters, Drucker) as a solution to organisational problems; assess the use of theory in finding solutions;
- demonstrate an understanding of leadership and management styles and assess the appropriateness of each in different situations: dilemma of meeting 'people' and 'task' needs.

Employer/employee relations

Candidates should be able to:

- demonstrate an understanding of the requirements of legislation so as to prevent discrimination on grounds of race, age, sex, disability or religion and assess the extent to which it affects an organisation;
 - demonstrate an understanding of contracts of employment (and other principles of employment law affecting organisations);
 - demonstrate an understanding of the main provisions of legislation relating to health and safety and the control of substances hazardous to health and assess the implications of this legislation for an organisation and its employees;
 - demonstrate an understanding of data protection issues and assess the implications of holding data about employees on computer/paper;
 - explain the function of employment tribunals;
- demonstrate an understanding of grievance and dismissal procedures and their practical application within familiar and unfamiliar situations.
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Employee participation	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • explain what is meant by industrial democracy and assess the reasons for and against participative decision-making; • analyse and discuss methods of achieving industrial democracy: collective bargaining, employees as shareholders, works councils.
Methods of remuneration	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • discuss different methods of payment: hourly, salary, bonuses/commission, piece-rates, payment by performance; • assess the possible advantages/disadvantages for changing methods of remuneration.
Training	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • assess types and methods of training for both new and existing employees; discuss both the advantages and disadvantages of using different types/methods to enhance employee performance; • demonstrate an understanding of Training Needs Analysis (TNA): explain the methods and assess the potential contribution made by TNA to enhanced employee performance; • carry out an evaluation of the gains from and costs of training.
Appraisal	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> • assess types/ methods of employee appraisal; <p>discuss the potential advantages/disadvantages of appraisal systems to employers/employees.</p>
Workforce performance measurement criteria	<p>Candidates should be able to:</p> <p>carry out appropriate calculations and measurements relating to: lateness, absenteeism/sickness, labour turnover, productivity, holiday entitlement, performance-related payment (individually, departmentally and across departments). Interpret, analyse and assess outcomes accordingly.</p>

3.6 A2 Unit F296: *Business Production*

The optional Business Production unit builds upon the content of the AS GCE units F291 and F292. Candidates are assessed in a context that refers to specific business situations. Candidates are expected to show critical awareness of issues related to the operations management aspects of business and to use them in solving problems and/or making decisions. The approach is an integrated one in which candidates are expected to explain, analyse, evaluate and use information relating to production and in addition take into consideration issues relating to the organisation as a whole and the environment within which production activity takes place.

Business Production

Management and the production process

Candidates should be able to:

- assess the relationship between business objectives and production planning;
 - discuss the need to consider production in relation to other factors and other decisions;
 - discuss the production function in relation to other departments;
 - analyse and discuss the significance of factors influencing the location of industry;
 - demonstrate an understanding of different types of production methods: job, batch, flow, lean and cell and discuss reasons for choice; assess the implication(s) of changing from one method to another;
 - analyse and assess the significance of the size of production unit with reference to measures of size, cost and benefits of size; external and internal economies and diseconomies of scale;
 - demonstrate an understanding of specialisation and the division of labour and evaluate the benefits to the organisation;
 - demonstrate an understanding of planning and controlling the production process: interpret and analyse Gantt charts; assess the importance of information management.
-

Constraints on production

Candidates should be able to:

- analyse and assess the constraints imposed on production by the external environment;
- assess the significance of resource management and evaluate methods of optimising resource use;
- assess the significance of waste management and control for businesses including reference to pollution control, 'green' audits, the cost of resource wastage, financial costs and opportunity cost (social and environmental);
- analyse and assess the impact of the law on production; health and safety in the workplace; vicarious liability; food safety and other laws concerning the manufacture of products, eg labelling; pollution control and environmental protection;
- assess ethical considerations relating to production.

Cost and costings

Candidates should be able to:

- demonstrate an understanding of cost classification: calculate, interpret and make use of fixed, variable, direct, indirect, marginal and average cost; demonstrate an understanding of, and make use of opportunity and social cost;
 - calculate, interpret and discuss costing methods: full, absorption, contribution and standard;
 - make, analyse and discuss decisions using break-even analysis: determine break-even, construct graph/chart and carry out numerical calculations; assess the implication(s) of changes in costs and/or revenue on break-even; calculate and assess the significance of margin of safety; discuss the advantages and disadvantages of break-even analysis and assess the limitations for decision-making.
-

Productive efficiency

Candidates should be able to:

- define production;
- define productivity and assess methods of improving productive efficiency, eg training;
- analyse and discuss the significance of capacity use/utilisation; assess the implication(s) of operating at different capacity levels;
- demonstrate an understanding of human resource issues as they relate to productive efficiency;
- define and explain work study and assess its usefulness for increasing productive efficiency;
- analyse and discuss the significance of stock control: assess the costs and benefits of stock holding and methods of stock control; graphically represent stock control; explain the relationship between stock control and methods of production;
- analyse and discuss the significance of quality control: methods, eg benchmarking, TQM (Total Quality Management); value analysis.

Technology

Candidates should be able to:

- demonstrate an understanding of the application of technology to production and assess its impact on production methods; assess the benefits and drawbacks of new technology;
- demonstrate an understanding of robotics, automation, CAD, CAM.

Research and development

Candidates should be able to:

- demonstrate an understanding of the nature of, and assess the importance of research and development.
-

3.6 A2 Unit F297: *Strategic Management*

This unit is compulsory and designed to complete the Advanced GCE A Level in Business Studies. 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 unit, and to that introduced in the AS GCE Units F291 and F292. Candidates are also expected to draw upon, where appropriate, the knowledge which they acquire through their study of one of the A2 optional units (F293–F296)

The emphasis should be on strategy, its nature, development, implementation and a critical evaluation in the context of specific organisational and business situations in order to solve problems and/or make decisions. Candidates are required to recognise potential conflict(s) between the objectives of different stakeholder interests and suggest and evaluate resolutions to such conflict(s). 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 unit as discrete business behaviours, the content should be presented in an integrated way. However, when the focus of study is primarily upon the marketing aspects of a 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, 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 inter-relationships between organisational structure, leadership style(s) 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 production, 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.

Business objectives and strategy

Objectives

Candidates should be able to:

- demonstrate an understanding of the formation of objectives at tactical and strategic levels;
 - differentiate between short-term tactics and long-term strategy;
 - assess the significance to business of communicating objectives through corporate plans and mission statements;
 - assess the impact that differing stakeholder objectives may have on the behaviour and decisions of a business;
 - understand and assess the possible conflict between risk and reward.
-

Planning	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● analyse and discuss methods of business analysis including SWOT and its use in diagnosis; ● discuss the extent to which objectives influence corporate behaviour.
Stakeholder objectives	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● assess the extent to which stakeholder objectives (including government macro-economic objectives) may affect the behaviour and decisions of a business.
Business analysis	
Market analysis	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● discuss the need for, and the significance of, a constant review of market and environmental circumstances, including international aspects.
Forecasting	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● complete/conduct a time series analysis; assess the use of time series analysis in producing forecasts.
Data analysis	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● discuss the significance of data analysis with reference to gathering information and summarising data.
Decision-making	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● assess Ansoff's matrix as an analytical tool for decision-making; ● draw, and evaluate the usefulness of, decision trees to a business; ● determine the critical path and assess the use of a critical path analysis as a means of allocating resources; ● demonstrate an understanding of the application of ICT as an aid to decision-making; demonstrate an understanding of management information systems; ● assess the possible international implications to the business of decisions which have been/might be made.
Measures of business performance	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● assess the significance of the determination of employee contribution to objectives, eg productivity, absenteeism; ● calculate, interpret and analyse business performance through ratios including: returns on capital and profitability; shareholders' rewards; return on investment; liquidity; solvency; activity; ● measure and assess capital structure; gearing; ● demonstrate an understanding of budgets; assess the significance of budgets in respect of communication, control and motivation; ● calculate and interpret adverse and positive variances; analyse the likely causes of variances.

External influences

Macro factors

Candidates should be able to:

- explain the causes of market failure and assess government and other stakeholder responses to it;
- demonstrate an understanding of labour markets: assess the impact of skills shortages and surpluses; net migration;
- demonstrate an understanding of unemployment: distinguish between different types and assess their impact(s) on a business;
- demonstrate an understanding of interest rates, exchange rates and taxation rates: assess the strategic implication of changes upon local, national and international competitiveness;
- understand and assess possible effects of changes in international competitiveness;
- demonstrate an understanding of inflation and deflation: discuss possible causes and cures; assess the impact on a business;
- demonstrate an understanding of the business cycle and assess changes in the level of economic activity at local, national and international level in terms of unemployment and inflation;
- demonstrate an understanding of economic growth: assess the effects on business, government behaviour, business activity and strategic decision-making.

Legal issues

Candidates should be able to:

- demonstrate an understanding of legal behaviour and decision: contract law; as a basis for employment; occupational safety and marketing law; explain the purpose and assess the impact of legislation on a business regarding its employment policies, productive organisation and marketing.

Political and social issues

Candidates should be able to:

- demonstrate an understanding of political issues: assess the extent to which political changes (local, national, EU and international) create opportunities and threats to corporate success; recognise different styles and degrees of government intervention; assess the significance of nationalisation, privatisation and laissez-faire;
 - demonstrate an understanding of, and assess the significance of, the state as consumer, provider, supporter and source of constraints;
 - demonstrate an understanding of social issues: assess the role and limits of corporate responsibility in decision-making; assess the impact of changing pattern(s) of employment;
 - demonstrate an understanding of moral and ethical issues: assess the extent to which business behaviour is modified in light of moral, ethical and spiritual issues.
-

Technological factors	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● assess the significance of technological change: discuss the impact of technological change on a business.
Environmental issues	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> ● demonstrate an understanding of environmental issues: assess environmental audits as a means of reducing process waste; ● analyse and discuss the significance of external costs and benefits.

Change

Candidates should be able to:

- demonstrate an understanding of communication methodologies and effective consultation, shared values; analyse and discuss barriers to effective communication: overload, remoteness from audience, attitudes;
- demonstrate an understanding of causes of change;
- assess approaches to the management of change;
- demonstrate an understanding of incremental as against catastrophic change; crisis and contingency management;
- assess the role of team work, motivation and leadership in achieving change; assess the significance of organisational culture and employee participation to/in the change process;
- assess the significance of employer and employee relations at individual and collective level;
- demonstrate an understanding of trade unions and assess the likely impact of their role in achieving corporate objectives; changes to employment practices and levels;
- assess the significance of flexible working, zero-hour contracts and sub-contracting to a business;
- analyse and discuss strategies for avoiding conflict; no-strike deals, pendulum arbitration and the role of intermediaries should these fail; ACAS;
- analyse and discuss reasons for changing location and assess the strategic importance of facility location;
- analyse and discuss strategies for responding to changes in market demand; research and development and new-product development.

4 Schemes of Assessment

4.1 AS GCE Scheme of Assessment

AS GCE Business Studies (H030)

AS Unit F291: *An Introduction to Business*

40% of the total AS GCE marks This question paper consists of short-answer and data-response questions.
1 h written paper

60 marks

Candidates answer **five** questions.

AS Unit F292: *Business Functions*

60% of the total AS GCE marks This question paper has **two** sections:

2 h written paper

90 marks

Section A: Candidates are required to answer **one** six-part question.

Section B: Candidates are required to answer all **four** questions based on the pre-released case-study stimulus material.

Candidates answer **five** questions.

4.2 Advanced GCE Scheme of Assessment

Advanced GCE Business Studies (H430)

AS units as above, Unit F291 being 20% of the total Advanced GCE marks and Unit F292 being 30% of the Advanced GCE marks.

either A2 Unit F293: *Marketing*

20% of the total
Advanced GCE
marks

Candidates are required to answer **six** questions based on the case-study stimulus material.

2 h written paper
60 marks

This unit is partly synoptic.

or A2 Unit F294: *Accounting*

20% of the total
Advanced GCE
marks

Candidates are required to answer **six** questions based on the case-study stimulus material.

2 h written paper
60 marks

This unit is partly synoptic.

or A2 Unit F295: *People in Organisations*

20% of the total
Advanced GCE
marks

Candidates are required to answer **six** questions based on the case-study stimulus material.

2 h written paper
60 marks

This unit is partly synoptic.

or A2 Unit F296: *Business Production*

20% of the total
Advanced GCE
marks

Candidates are required to answer **six** questions based on the case-study stimulus material.

2 h written paper
60 marks

This unit is partly synoptic.

with A2 Unit F297: *Strategic Management*

30% of the total
Advanced GCE
marks

2 h written paper
90 marks

Candidates answer **four** questions based on the pre-released case-study stimulus material, one of which will include a specified numerical element.

This unit is synoptic.

4.3 Unit Order

The normal order in which the unit assessments could be taken is AS Units F291 and F292 in the first year of study, leading to an AS GCE award, then A2 Unit F293 or F294 or F295 or F296 with A2 F297 leading to the Advanced GCE award. However, the unit assessments may be taken in any order.

Alternatively, candidates may take a valid combination of unit assessments at the end of their AS GCE or Advanced GCE course in a 'linear' fashion.

4.4 Unit Options (at AS/A2)

There are no optional units in the AS GCE specification; for AS GCE Business Studies, candidates must take AS Units F291 and F292.

There are optional units in the Advanced GCE specification; for Advanced GCE Business Studies candidates take AS Units F291 and F292, *and* A2 Unit F293 or F294 or F295 or F296 *with* A2 Unit F297.

4.5 Synoptic Assessment (A Level GCE)

Synoptic assessment in Advanced GCE Business Studies takes place in both A2 units studied, within the optional units focusing on the mandatory elements, and encourages candidates to:

- gain a holistic understanding of business;
- develop the ability to deal with the interrelationships between external and internal factors affecting business in different contexts.

4.6 Assessment Availability

There are **two** examination series each year, in January and June.

In 2009, only AS units will be assessed.

From 2010 onwards, both AS units and A2 units will be assessed.

4.7 Assessment Objectives

Candidates are expected to demonstrate the following in the context of the content described:

AO1 Demonstrate knowledge and understanding

- demonstrate knowledge and understanding of the specified content;

AO2 Apply knowledge and understanding

- apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations;

AO3 Analyse

- analyse problems, issues and situations;

AO4 Evaluate

- evaluate: distinguish between, and assess appropriateness of, fact and opinion, and judge information from a variety of sources.

AO weightings in AS GCE

Unit	% of AS GCE				Total
	AO1	AO2	AO3	AO4	
AS Unit F291: <i>An introduction to Business</i>	14	10	10	6	40%
AS Unit F292: <i>Business Functions</i>	15	16	15	14	60%
	29%	26%	25%	20%	100%

AO weightings in Advanced GCE

Unit	% of Advanced GCE				Total
	AO1	AO2	AO3	AO4	
AS Unit F291: <i>An introduction to Business</i>	7	5	5	3	20%
AS Unit F292: <i>Business Functions</i>	7.5	8	7.5	7	30%
A2 Unit F293 <i>Marketing</i>	4	5.33	5.33	5.33	20%
<i>or</i>					
A2 Unit F294: <i>Accounting</i>	4	5.33	5.33	5.33	20%
<i>or</i>					
A2 Unit F295: <i>People in Organisations</i>	4	5.33	5.33	5.33	20%
<i>or</i>					
A2 Unit F296: <i>Business Production</i>	4	5.33	5.33	5.33	20%
A2 Unit F297 <i>Strategic Management</i>	5.33	7.66	7.66	9.33	30%
	23.83%	26%	25.5%	24.66%	100%

4.8 Quality of Written Communication

Quality of Written Communication is assessed in all units and credit may be restricted if communication is unclear. *Quality of Written Communication* will be assessed qualitatively, as an integral part of the judgement on a question. Questions in which *Quality of Written Communication* is to be assessed will be indicated accordingly.

Candidates will:

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

5 Technical Information

5.1 Making Unit Entries

Please note that centres must be registered with OCR in order to make any entries, including estimated entries. It is recommended that centres apply to OCR to become a registered centre well in advance of making their first entries. Centres must have made an entry for a unit in order for OCR to supply the appropriate forms.

It is essential that unit entry codes (the four-figure alpha-numeric codes given in brackets at the end of the unit title) are quoted in all correspondence with OCR. See Sections 4.1 and 4.2 for these unit entry codes.

5.2 Making Qualification Entries

Candidates must enter for qualification certification separately from unit assessment(s). If a certification entry is **not** made, no overall grade can be awarded.

Candidates may enter for:

- AS GCE certification (entry code H030).
- Advanced GCE certification (entry code H430).

A candidate who has completed all the units required for the qualification may enter for certification either in the same examination series (within a specified period after publication of results) or at a later series.

AS GCE certification is available from June 2009.
Advanced GCE certification is available from June 2010.

5.3 Grading

All GCE units are awarded a-e. The Advanced Subsidiary GCE is awarded on the scale A-E. The Advanced GCE is awarded on the scale A-E with access to an A*. To be awarded an A*, candidates will need to achieve a grade A on their full A level qualification and an A* on the aggregate of their A2 units. Grades are reported on certificates. Results for candidates who fail to achieve the minimum grade (E or e) will be recorded as *unclassified* (U or u) and this is **not** certificated.

A Uniform Mark Scale (UMS) enables comparison of candidates' performance across units and across series and enables candidates' scores to be put on a common scale for aggregation purposes. The two-unit AS GCE has a total of 200 *uniform* marks and the four-unit Advanced GCE has a total of 400 *uniform* marks.

OCR converts each raw mark for each unit to a uniform mark. The maximum *uniform* mark for any unit depends on that unit's weighting in the specification. In these *Business Studies* specifications, the four units of the Advanced GCE specification have UMS weightings of 20%/30%/20%/30% (and the two units of the AS GCE specification have UMS weightings of 40%/60%). The UMS totals are 80/120/80/120 respectively. Each unit's *raw* mark grade boundary equates to the *uniform* mark boundary at the same grade. Intermediate marks are converted on a pro-rata basis.

Uniform marks correspond to *unit* grades as follows:

(Advanced GCE) Unit Weighting	Maximum Unit Uniform Mark	Unit Grade					u
		a	b	c	d	e	
30%	120	120–96	95–84	83–72	71–60	59–48	47–0
20%	80	80–64	63–56	55–48	47–40	39–32	31–0

OCR adds together the unit *uniform* marks and compares these to pre-set boundaries (see the table below) to arrive at *qualification* grades.

Total *uniform* marks correspond to *qualification* grades as follows:

Qualification	Qualification Grade					U
	A	B	C	D	E	
AS GCE	200–160	159–140	139–120	119–100	99–80	79-0
Advanced GCE	400–320	319–280	279–240	239–200	199–160	159-0

Candidates achieving at least 320 UMS marks in their Advanced GCE, ie grade A and who also gain at least 180 UMS in their two A2 units will receive an A* grade.

5.4 Result Enquiries and Appeals

Under certain circumstances, a centre may wish to query the grade available to one or more candidates or to submit an appeal against an outcome of such an enquiry. Enquiries about unit results must be made immediately following the series in which the relevant unit was taken.

For procedures relating to enquiries on results and appeals, centres should consult the OCR *Administration Guide for General Qualifications* and the document *Enquiries about Results and Appeals: Information and Guidance for Centres* produced by the Joint Council. Copies of the most recent editions of these papers can be obtained from OCR.

5.5 Shelf-life of Units

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

5.6 Unit and Qualification Re-sits

There is no restriction on the number of times a candidate may re-sit each unit before entering for certification for an AS GCE or Advanced GCE.

Candidates may enter for the full qualifications an unlimited number of times.

5.7 Guided Learning Hours

AS GCE Business Studies requires **180** guided learning hours in total.

Advanced GCE Business Studies requires **360** guided learning hours in total.

5.8 Code of Practice/Subject Criteria/Common Criteria Requirements

These specifications comply in all respects with the current *GCSE, GCE, GNVQ and AEA Code of Practice* as available on the QCA website, the subject criteria for GCE Business Studies and *The Statutory Regulation of External Qualifications 2004*.

5.9 Arrangements for Candidates with Particular Requirements

For candidates who are unable to complete the full assessment or whose performance may be adversely affected through no fault of their own, teachers should consult the *Access Arrangements and Special Consideration: Regulations and Guidance Relating to Candidates who are Eligible for Adjustments in Examinations* produced by the Joint Council. In such cases advice should be sought from OCR as early as possible during the course.

5.10 Prohibited Qualifications and Classification Code

Candidates who enter for the OCR GCE specifications may not also enter for any other GCE specification with the certification title *Business Studies* 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 Achievement and Attainment Tables.

The classification code for these specifications is 3210.

6 Other Specification Issues

6.1 Overlap with other Qualifications

There is a small degree of overlap between the content of these specifications and those for Advanced GCE Applied Business.

6.2 Progression from these Qualifications

The specifications provide a suitable foundation for the study of Business Studies or related courses in Higher Education. They are also suitable for candidates intending to pursue business careers or further study in Business Studies, or social sciences, or as part of a course of general education.

6.3 Key Skills Mapping

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* at Levels 2 and/or 3. However, the extent to which this evidence fulfils the Key Skills criteria at these levels will be totally dependent on the style of teaching and learning adopted for each unit.

The following table indicates where opportunities *may* exist for at least some coverage of the various Key Skills criteria at Levels 2 and/or 3 for each unit.

Unit	C				AoN			IT			WwO			IOLP			PS		
	.1a	.1b	.2	.3	.1	.2	.3	.1	.2	.3	.1	.2	.3	.1	.2	.3	.1	.2	.3
F291	✓	✓	✓	✓	✓	✓		✓	✓	✓				✓	✓	✓			
F292	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
F293-F296*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
F297	✓	✓	✓	✓				✓		✓	✓	✓	✓	✓	✓	✓	✓		

* Optional Units F293, F294, F295 and F296.

6.4 Spiritual, Moral, Ethical, Social, Legislative, Economic and Cultural Issues

It is expected that in all aspects, these specifications will be presented in ways that 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, moral, ethical and legislative dimension. This is particularly appropriate in considering 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 assessment across the units provides individual candidates scope to develop understanding of the spiritual, moral, ethical, social, legislative, economic and cultural issues that are explicit or implicit in business situations and the marking philosophy will reward presentation and discussion of these issues as appropriate to the questions asked. (See 'other influences' in Unit F291 and 'external influences' in Unit F297.)

6.5 Sustainable Development, Health and Safety Considerations and European Developments

Issues relating to sustainability are considered within areas such as 'technological change' (Unit F291), stock control (Unit F292) and constraints on production – resource management, pollution control and environmental protection (Unit F296).

Health and Safety issues are specifically considered within 'constraints on production' (Unit F296).

The European Union (EU) is specifically mentioned within these specifications in a number of contexts and implied in others, eg interpreting the market in the context of a particular business may well require reference to the European or World markets.

6.6 Avoidance of Bias

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

6.7 Language

These specifications and associated assessment materials are in English only.

6.8 Disability Discrimination Act Information Relating to these Specifications

AS/A levels often require assessment of a broad range of competences. This is because they are general qualifications and, as such, prepare candidates for a wide range of occupations and higher level courses.

The revised AS/A level qualification and subject criteria were reviewed to identify whether any of the competences required by the subject presented a potential barrier to any disabled candidates. If this was the case, the situation was reviewed again to ensure that such competences were included only where essential to the subject. The findings of this process were discussed with disability groups and with disabled people.

Reasonable adjustments are made for disabled candidates in order to enable them to access the assessments. For this reason, very few candidates will have a complete barrier to any part of the assessment. Information on reasonable adjustments is found in *Access Arrangements and Special Consideration Regulations and Guidance Relating to Candidates who are Eligible for Adjustments in Examinations* produced by the Joint Council (refer to Section 5.9 of this specification).

Candidates who are still unable to access a significant part of the assessment, even after exploring all possibilities through reasonable adjustments, may still be able to receive an award. They would be given a grade on the parts of the assessment they have taken and there would be an indication on their certificate that not all of the competences have been addressed. This will be kept under review and may be amended in the future.

Appendix A: Performance Descriptions

Performance descriptions have been created for all GCE subjects. They describe the learning outcomes and levels of attainment likely to be demonstrated by a representative candidate performing at the A/B and E/U boundaries for AS and A2.

In practice most candidates will show uneven profiles across the attainments listed, with strengths in some areas compensating in the award process for weaknesses or omissions elsewhere. Performance descriptions illustrate expectations at the A/B and E/U boundaries of the AS and A2 as a whole; they have not been written at unit level.

Grade A/B and E/U boundaries should be set using professional judgement. The judgement should reflect the quality of candidates' work, informed by the available technical and statistical evidence. Performance descriptions are designed to assist examiners in exercising their professional judgement. They should be interpreted and applied in the context of individual specifications and their associated units. However, performance descriptions are not designed to define the content of specifications and units.

The requirement for all AS and A level specifications to assess candidates' quality of written communication will be met through one or more of the assessment objectives.

The performance descriptions have been produced by the regulatory authorities in collaboration with the awarding bodies.

AS performance descriptions for business studies

	Assessment objective 1	Assessment objective 2	Assessment objective 3	Assessment objective 4
Assessment objectives	Demonstrate knowledge and understanding of the specified content.	Apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations.	Analyse problems, issues and situations.	Evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.
AS A/B boundary Performance Descriptions	Candidates characteristically: a) demonstrate knowledge and understanding of the key business concepts in the AS specification, with few significant omissions.	Candidates characteristically: a) demonstrate the ability to apply relevant knowledge to familiar and unfamiliar business contexts b) show knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) analyse problems, issues and situations: <ul style="list-style-type: none"> • build logical arguments • use appropriate numerical and non-numerical techniques. 	Candidates characteristically: a) distinguish between fact and opinion b) assess the appropriateness of information from a variety of sources c) make a reasoned evaluation of the sources considered.
AS E/U boundary Performance Descriptions	Candidates characteristically: a) demonstrate a basic knowledge and some understanding of the business concepts in the AS specification.	Candidates characteristically: a) demonstrate the ability to apply a basic level of relevant knowledge to familiar business contexts b) show some knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) provide partial analysis of problems, issues and situations: <ul style="list-style-type: none"> • build arguments • use appropriate numerical and non-numerical techniques. 	Candidates characteristically: a) make some distinction between fact and opinion b) assess at a basic level the appropriateness of information from one or more sources c) make a partial evaluation of the sources considered.

A2 performance descriptions for business studies

	Assessment objective 1	Assessment objective 2	Assessment objective 3	Assessment objective 4
Assessment objectives	Demonstrate knowledge and understanding of the specified content.	Apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations.	Analyse problems, issues and situations.	Evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.
A2 A/B boundary Performance Descriptions	<p>Candidates characteristically:</p> <p>a) demonstrate precise knowledge and understanding of key business concepts drawn from the A2 specification, with few omissions</p> <p>b) show knowledge and understanding of the links between business concepts.</p>	<p>Candidates characteristically:</p> <p>a) demonstrate effective application of relevant knowledge to familiar and unfamiliar business contexts</p> <p>b) show knowledge and understanding of the issues arising from these situations.</p>	<p>Candidates characteristically:</p> <p>a) critically analyse business problems, issues and situations:</p> <ul style="list-style-type: none"> • build logical arguments • use appropriate numerical and non-numerical techniques <p>b) analyse a business strategy</p> <p>c) develop a business strategy.</p>	<p>Candidates characteristically:</p> <p>a) distinguish between fact and opinion</p> <p>b) assess critically the appropriateness of information from a wide variety of sources</p> <p>c) make a well-reasoned evaluation of the sources considered.</p>
A2 E/U boundary Performance Descriptions	<p>Candidates characteristically:</p> <p>a) demonstrate knowledge and some understanding of business concepts drawn from the A2 specification</p> <p>b) show some knowledge and understanding of the links between business concepts.</p>	<p>Candidates characteristically:</p> <p>a) demonstrate the application of relevant knowledge to familiar and unfamiliar business contexts</p> <p>b) show some knowledge and understanding of the issues arising from these situations.</p>	<p>Candidates characteristically:</p> <p>a) provide a simple analysis of business problems, issues and situations:</p> <ul style="list-style-type: none"> • build arguments • use appropriate numerical and non-numerical techniques <p>b) outline a business strategy.</p>	<p>Candidates characteristically:</p> <p>a) distinguish between fact and opinion</p> <p>b) assess the appropriateness of information from several sources</p> <p>c) make an evaluation of the sources considered.</p>