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GCE

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Edexcel Advanced Subsidiary GCE in Applied Business (Single Award) (8721)

Edexcel Advanced Subsidiary GCE in Applied Business (Double Award) (8722)

Edexcel Advanced GCE in Applied Business (Single Award) (9721)

Edexcel Advanced GCE in Applied Business (Double Award) (9722)

Edexcel Advanced GCE with Advanced Subsidiary (Additional) in Applied Business (9723)

Contents

Introduction

This suite of nine qualifications comprises General Certificates of Education in:

- Applied Art and Design
- Applied Business
- Applied ICT
- Engineering
- Health and Social Care
- Leisure Studies
- Media
- Performing Arts
- Travel and Tourism.

The qualifications are designed to give learners a broad introduction to a vocational sector.

Edexcel GCE in Applied Business

The Edexcel GCE in Applied Business has been developed to provide a broad educational basis for further training, further education or for moving into appropriate employment within the business sector. The Edexcel GCE has been designed to be delivered in a work-related context and to allow learners to develop an understanding of the business sector.

Qualification codes

Each qualification title is allocated a QCA National Qualifications Framework (NQF) code.

QCA NQF codes

The QCA National Qualifications Framework (NQF) code is known as a Qualification Accreditation Number (QAN). This is the code that features in the DfES Funding Schedule, Sections 96 and 97, and is to be used for all qualification funding purposes. The QCA QAN is the number that will appear on the learner's final certification documentation.

The QANs for the qualifications in this publication are:

Edexcel Advanced Subsidiary GCE in Applied Business (Single Award): 100/4286/6

Edexcel Advanced Subsidiary GCE in Applied Business: (Double Award): 100/4287/8

Edexcel Advanced GCE in Applied Business (Single Award): 100/4288/X

Edexcel Advanced GCE in Applied Business (Double Award): 100/4289/1

Edexcel Advanced GCE with Advanced Subsidiary (Additional) in Applied Business: 500/3785/7

Qualification overview

Structure

Advanced Subsidiary/Advanced GCE (Single Award)

All Single Award Advanced GCE qualifications in this suite comprise six equally-weighted units and contain an Advanced Subsidiary subset of three AS units. The AS is the first half of a GCE course and contributes 50 per cent of the total Advanced GCE marks. The A2, the second half of the Advanced GCE, comprises the other 50 per cent of the total Advanced GCE marks.

Advanced Subsidiary/Advanced GCE (Double Award)

All Advanced GCE (Double Award) qualifications in this suite comprise 12 equally-weighted units and contain an Advanced Subsidiary (Double Award) subset of six AS units. The Advanced Subsidiary (Double Award) is the first half of an Advanced GCE (Double Award) course and contributes 50 per cent of the total Advanced GCE (Double Award) marks. The A2, the second half of the Advanced GCE (Double Award), comprises the other 50 per cent of the total Advanced GCE (Double Award) marks.

Advanced GCE with Advanced Subsidiary (Additional)

All Advanced GCE with Advanced Subsidiary (Additional) qualifications in this suite comprise nine equally-weighted units.

Guided learning hours

The number of guided learning hours for the three-unit Advanced Subsidiary GCE (Single Award) qualification is 180.

The number of guided learning hours for the six-unit Advanced Subsidiary (Double Award) qualification is 360.

The number of guided learning hours for the six-unit Advanced GCE (Single Award) qualification is 360.

The number of guided learning hours for the nine-unit Advanced GCE with Advanced Subsidiary (Additional) qualification is 540.

The number of guided learning hours for the twelve-unit Advanced GCE (Double Award) qualification is 720.

Overview of units

Unit	Title	Code	Level	AS	AS (Double)	GCE	GCE with AS (Additional)*	GCE (Double)	Assessment mode	Assessment availability
1	Investigating People at Work	6916	AS	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	External	January/June
2	Investigating Business	6917	AS	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	Internal	January/June
3	Investigating Marketing	6918	AS	Compulsory	Compulsory	Compulsory	Compulsory	Compulsory	Internal	January/June
4	Investigating Electronic Business	6919	AS	N/A	Optional	N/A	Optional	Optional	Internal	January/June
5	Investigating Customer Service	6920	AS	N/A	Optional	N/A	Optional	Optional	Internal	January/June
6	Investigating Promotion	6921	AS	N/A	Compulsory	N/A	Compulsory	Compulsory	External	January/June
7	Investigating Enterprise	6922	AS	N/A	Optional	N/A	Optional	Optional	Internal	January/June
8	Business Development	6923	A2	N/A	N/A	Compulsory	Compulsory	Compulsory	External	June
9	Managing and Developing People	6924	A2	N/A	N/A	Optional	Optional	Optional	Internal	January/June
10	Marketing Decisions	6925	A2	N/A	N/A	Optional	Optional	Compulsory	External	January/June
11	Impact of Finance on Business Decisions	6926	A2	N/A	N/A	Optional	Optional	Optional	Internal	January/June
12	International Dimensions of Business	6927	A2	N/A	N/A	Optional	Optional	Optional	Internal	January/June
13	Organising an Event	6928	A2	N/A	N/A	Optional	Optional	Optional	Internal	January/June
14	External Influences on Business	6929	A2	N/A	N/A	Optional	Optional	Optional	Internal	January/June

*To achieve this qualification learners must complete the compulsory units **plus** any two units from Units 4, 5 and 7 **plus** any two units from Units 9, 10, 11, 12, 13 and 14.

Rationale

This suite of nine General Certificates of Education is part of the Level 3 provision of the National Qualifications Framework (NQF).

These GCEs aim to:

- widen participation in vocationally-related learning

- allow learners to experience vocationally-related learning to see if it is suitable for them

- enable learners to make valid personal choices on completion of the qualification

- raise attainment at Level 3/Advanced level of the NQF.

The broad objectives of the GCEs are to:

- introduce learners to work-related learning

- give learners a broad introduction to a vocational sector

- give learners the technical knowledge, skills and understanding associated with the subject at this level

- equip learners with some of skills they will need in the workplace or in further education or training

- empower learners to take charge of their own learning and development

- provide a range of teaching, learning and assessment styles to motivate learners to achieve their full potential.

The Applied GCE suite of qualifications contributes to the quality and coherence of national provision, as shown by their place in the Government's Green Paper '14–19 Extending Opportunities, Raising Standards'.

The GCE in Applied Business has been designed to provide a broad educational basis for further education or for moving into employment within the business sector. This is achieved by ensuring that learners develop the general skills, knowledge and understanding needed within the sector. This qualification conforms to the Qualifications and Curriculum Authority (QCA) General Qualification Criteria for GCEs, any additional criteria for GCE (Double Award) qualifications and to the subject criteria for GCE qualifications in Applied Business, which set out the knowledge, understanding, skills and schemes of assessment common to all GCE qualifications in the subject. Subject criteria help ensure consistent and comparable standards in the same subject area across awarding bodies and help further and higher education institutions and employers know what has been studied and assessed.

In particular, the aims of the GCE qualifications in Applied Business are that:

- all qualifications in business should provide learners with a broad introduction to the business sector and should encourage learners to develop skills, knowledge and understanding in realistic business contexts, such as discovering the problems and opportunities faced by local businesses and/or organising an enterprise activity

- they should provide opportunities for learners to develop sufficient depth of understanding to inform their choices between further study or training

- learners should be encouraged to acquire the following range of skills through the study of realistic business contexts:

  – practical skills: personal organisation and time management; ICT skills

  – presentational skills: producing a business report; making an oral presentation

  – personal skills: initiative; creativity; perseverance; willingness to learn and progress

  – interpersonal skills: working in teams; discussing problems or issues; leading a team

  – cognitive skills: investigative and research skills; problem solving; decision making; using theory to analyse a real organisation; planning a project

- all qualifications should encourage learners to develop knowledge and understanding of:
  – the practices and techniques used within marketing, finance, operations management, human resource management and the links between them
  – the processes, attractions and risks of setting up an enterprise
  – the relationship between the business and the changing external environment
  – social and ethical issues in business
- all qualifications should also encourage learners to:
  – contribute to the development of the skills required for success as an entrepreneur, manager of employees
  – apply numerical and written business techniques to a variety of business contexts
  – explore business problems and learn to identify possible solutions
- the A Level and A Level (Double Award) qualifications should develop learners' understanding of business by making connections between areas of knowledge, skills and understanding.

Recommended prior learning

Learners who would benefit most from a GCE in Applied Business are likely to have one or more of the following:

- a profile of GCSEs at grade A*-C
- BAF Higher Level Diploma (L2)
- a Level 2 qualification such as GCSE (Double Award) in Applied Business at grades AA–CC

Progression

This qualification supports progression into further education, training or employment. Appropriate further education includes:

- BTEC Higher National Certificate/Diploma in Business or related subject
- BTEC Foundation Degree in Business
- Honours Degrees in Business
- Advanced Modern Apprenticeships, for example in Administration or Management
- BTEC National Diploma in Business or related subject.

Classification code

Every qualification is assigned a national classification code indicating the subject area to which it belongs. The classification code for this qualification is 0002.

Centres should be aware that learners who enter for more than one Level 3 qualification with the same classification code will have only one grade (the highest) counted for the purpose of the school and college performance tables.

Links with other qualifications

This qualification has links with:

- Edexcel AS/Advanced GCE in Business Studies
- Edexcel AS/Advanced GCE in Economics and Business Studies
- Edexcel AS/Advanced GCE in Economics
- Edexcel BTEC National Award/Certificate/Diploma in Business.

Specification content

The guidance for learners sections are *Introduction, Recommended prior learning* and *What you need to learn* and, for internally assessed units only, *Assessment evidence*. The other sections give guidance for teachers.

Externally assessed

Introduction

All businesses have aims which influence how they operate and objectives to guide the people who work in them. In this unit you learn about these, together with the different organisational structures of business.

To provide goods and services, businesses rely on the people who work for them. In this unit, you will learn about how and why people work in business, and what influences them at work. This unit gives you the knowledge and skills you will draw on when you are studying the other core units.

Recommended prior learning

None.

External assessment

This unit will be assessed through an examination set and marked by Edexcel.

There will be a 1 hour and 30 minute examination paper.

The number of raw marks available is 90.

The examination will be available in the January and June examination series.

The paper will be a question and answer booklet.

What you need to learn

1.1 Business aims, objectives and organisation

All businesses have to make goods and/or provide services that meet customer requirements. To do this, businesses set long-term aims that influence how they operate, and objectives to guide the people who work for them. Businesses also have an internal structure and organisation. In the external assessment, you will need to explain and relate your knowledge of business aims, objectives and organisation to hypothetical businesses and to those businesses you have studied.

You need to know:

- businesses' aims — how these vary from business to business and the ways that these aims influence business objectives

- why objectives apply to certain businesses, eg surviving, making a profit or surplus, non-profit objectives, eg caring for the environment

- how the way a business operates is influenced by its ownership, control and financing, eg sole traders, partnerships, private and public limited companies and the public sector

- the range of functions carried out by different businesses — how these functions work with each other and the contribution of each to a successful business

- organisation structures, the roles and responsibilities of managers, supervisors and employees in different businesses.

1.2 How businesses obtain employees

Businesses must plan to make sure they have the right number of suitable employees for their needs. You will consider a number of points about recruiting and selecting staff, including:

- the different qualities that business people look for in their employees

- reasons for recruiting staff, such as the growth of the business, changing job roles, filling vacancies caused by leavers, and internal promotion

- the role and preparation of job descriptions and person specifications and where businesses advertise for staff

- the strengths and weaknesses of job applications, curriculum vitae and letters of application

- the main legal and ethical responsibilities relating to discrimination and equal opportunities.

- the range of interviews, such as job, appraisal and exit interviews

- shortlisting procedures, planning and carrying out job interviews using appropriate interview techniques, and assessment methods, eg psychometric and aptitude testing

- evaluating the recruitment and selection process in different businesses

- reasons for, and approaches to, training staff, including examples of induction training, mentoring, coaching, apprenticeships, in-house/on-the-job training and external/off-the-job training

- the influence on businesses of nationally recognised training structures, such as Investors in People and Individual Learning Accounts.

1.3	**How businesses motivate employees**	Having obtained and trained their staff, businesses will look to keep these staff happy in their work. You will need to know:

- about the legislation that protects the well-being of employees, such as the maximum number of hours they can work in a week, regulations governing leave arrangements (including maternity and paternity leave), and minimum wage rates

- the ways in which businesses seek to retain employees, including pay and non-financial incentives, conditions of work and internal promotion

- the importance of motivating individuals

- the influence (in outline) of motivation theories/ideas on the way in which different businesses manage their employees.

1.4	**How people are influenced at work**	Managers and employees are affected not only by internal issues such as the conditions of work and levels of motivation, but also by external issues. You will need to consider how the following external issues affect different businesses and the people who work in them:

- environmental issues such as pollution, recycling and global warming,

- social and ethical issues such as ethical behaviour and codes of practice, stakeholders and pressure groups

- legal and self-regulatory constraints and issues, including competition law, consumer protection, the work of trade unions, employment protection and health and safety.

Assessment evidence

This unit will be assessed through an external assessment.

The mark you achieve for this assessment will be your mark for the unit.

The external assessment will be in the form of a graded test. This test will consist a range of questions. The content of the external assessment will relate directly to what you should have learned as a result of the activities you have carried out as part of your work for this unit. You will be required to make direct reference to real businesses you have studied.

You will need to be able to apply the knowledge, skills and understanding of the unit to the demands of questions set. The ability to transfer knowledge, skills and understanding to different situations is an invaluable preparation for employment, training and further and higher education. External assessment is one example of where this transference is critical, eg coping with the controlled conditions of an external assessment, scenarios and responding to questions.

The external assessment will require evidence of:

(a) Being able to demonstrate knowledge, skills and understanding of the subject content of this unit and relevant business skills

(b) Being able to apply your knowledge, skills and understanding of the subject content of this unit and relevant business skills

(c) Being able to use appropriate methods to carry out research and analysis relevant to the subject content of this unit

(d) Some ability to evaluate and reach reasoned judgements.

Delivering this unit

Business aims, objectives and organisation

This unit is about how and why people work in business and the various contexts in which this work takes place. It is, therefore, important that learners study the nature of work within a wide range of business types and environments. This range should include businesses in or from public and private sectors, primary, secondary and tertiary areas, profit-oriented and not-for-profit environments and the main forms of private sector ownership (sole traders, partnerships, franchises and limited companies). It is important that learners consider business aims, objectives and organisation in context, and they should, therefore, be encouraged to study real businesses.

Ways to achieve this include making visits to local businesses, and/or inviting local business representatives as guest speakers. Business can also be 'brought into' the classroom by using selected case studies from *The Times 100* or other appropriate sources, or through studying relevant internet site content.

Simulations are also valuable. Learners who set up a fictional business can, by doing so, select and justify suitable aims, objectives, functions and organisation structures through this simulated context.

How businesses obtain employees, and how businesses motivate employees	This section has direct relevance to learners, in that they will be seeking employment at some stage. It is important for learners to consider recruitment, selection and motivation in realistic contexts. Many of them will have part-time jobs or other work experience upon which they can draw. In addition, most centres now provide work experience periods for their learners. Research can take place during this period, for example on the work experience organisation's recruitment and selection procedures. Another obvious 'real' source is the centre itself, which will have appropriate, non-sensitive resources such as job descriptions and person specifications, as well as interviewers on its staff. The centre or other organisation may form the basis of a learner survey, for example on the nature and level of motivation in the given organisation. Newspapers and other journals can provide relevant real-life case study situations, particularly in the area of employee motivation.
	Local businesses can make relevant contributions, for example by providing business people as interview panellists for simulated interviews. Many businesses' websites include details of their employment policies and procedures, and these can form a diverse information source.
How people are influenced at work	It is important for learners to consider some of the key factors that influence life at work. Broadcast and print-based media provide relevant sources of information, for example television and radio programmes on business issues, and the business sections of national and local newspapers. Individual and/or group research into local business situations or activities can also prove valuable, eg research into local property development (environmental issues), local employment opportunities (social issues), and local Sunday trading (legal issues).

Links

Other units	This unit has close links with *Unit 2: Investigating Business*, and *Unit 3: Investigating Marketing*. These three units form the core AS content for the GCE Applied Business and there are a number of close links between this unit and the other core units.
	Unit 2 builds on this unit's business aims and objectives content by considering how businesses plan, monitor and control their activities.
	Unit 3 develops this unit's consideration of external influences on people at work by exploring the influence of changing economic and market conditions.
	There are two particularly important links with the A2 units. The ways that employees are developed will be studied in A2 *Unit 9: Managing and Developing People*. How aims and objectives influence businesses is an important element in the A2 synoptic *Unit 8: Business Development*.
Industry	This unit can be linked to industry through:

- visits to a range of local businesses to observe business practices and activities such as organisational structures and functions

- guest speakers from local businesses with experience of recruiting, selecting and motivating their staff

- use of business websites as source material

- work placements with local businesses.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Cooke G — *Business Studies Update: A Student Guide* (Hidcote Press, 2005) ISBN 1898837902

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press, 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press, 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Gennard J and Judge G — *Employee Relations: People and Organisations* (Chartered Institute of Personnel and Development, 2002) ISBN 0852928181

Gillespie A — *Business in Action* (Hodder & Stoughton, 2002) ISBN 0340848200

Nicholson T — *52 Ways to Motivate your Staff, New Edition* (Roli Books, 2005) ISBN 8174362363

Rose E — *Employment Relations, Third Edition* (Prentice Hall, 2008) ISBN 0273710087

Salamon M — *Industrial Relations: Theory and Practice* (Prentice Hall, 2001) ISBN 027364646X

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Tailby S, Hollinshead G and Nicholls P — *Employee Relations: A Contemporary Perspective* (Prentice Hall, 1999) ISBN 027362525X

Websites

Major companies and other businesses operate their own websites. They provide useful information, for example their mission statements and details of their employment policies.

www.bized.co.uk	Provides interactive and online models and simulations for teachers and learners, and provides a valuable direct access to company reports in the UK and around the world.
www.berr.gov.uk	The Department for Business Enterprise and Regulatory Reform site is a useful source of information on business support, consumer issues, employment relations, equal opportunities and enterprise.
www.equalityhumanrights.com	The Equality and Human Rights Commission site contains case studies and other material on areas such as employment practice, equal pay and discrimination.
www.ft.com	*The Financial Times* website will help keep learners up to date with business matters, and contains an excellent archive.
www.investorsinpeople.co.uk	The Investors in People site provides a library of case studies, and has statistics and recent research materials.
www.lsneducation.org.uk	The Learning and Skills Network (LSN) produces the Vocational Learning Support Programme, a resource that provides materials, publications and information for supporting the delivery of high quality vocational learning, including vocational GCSEs, A-levels and other work-related learning, with help for practitioners and learners at both 14-16 and 16-19.
www.thetimes100.co.uk	*The Times* site is a free educational resource for teachers and learners, providing 100 case studies of companies and business issues.

Unit 2: Investigating Business

Internally assessed

Introduction

This unit explores the world of business. In the unit, you will find out how businesses manage and review their finances and other resources. You will learn about how businesses study and forecast their performance. You will also find out how important knowledge of financial management is for the effective planning and evaluation of a business.

As part of your learning, you will obtain, use and assess information drawn from real businesses.

This unit gives you the knowledge and skills that you will draw on when you are studying the other core units which are *Unit 1: Investigating People at Work, Unit 3: Investigating Marketing* and *Unit 8*: *Business Development*.

Recommended prior learning

None.

What you need to learn

2.1 Business planning

Central to the work of any business — large or small, existing or newly established, public or private sector — is planning. Without planning there is no way to judge if the business is likely to achieve its objectives. Unit 1 introduced you to business objectives and one key area of planning: obtaining and keeping suitable employees. In this part of *Unit 2*, you will now need to consider a number of other important points about how and why businesses — including those you have studied — plan, such as:

- the importance of enterprise and innovation to business

- the legal implications of starting in business

- sources of advice for different businesses

- why planning is important in gaining resources and in monitoring performance

- how the business' objectives influence its planning

- key elements in business planning, eg marketing, finance and production, with particular emphasis on the central role of obtaining finance and forecasting future cash flows and profits.

<table>
<tr>
<td>2.2</td>
<td>**Managing business activities**</td>
<td>Having made plans, businesses must check whether their actual performance is meeting their planned performance. To do this, managers and staff will monitor, review and control the activities of their business. You will have to consider a number of points about the performance of businesses, including those businesses you have studied, such as</td>
</tr>
</table>

- the types of resources used by businesses and the need to manage these resources effectively:
  - human resources — the need to obtain suitably skilled staff
  - physical resources — including premises, machinery and equipment, materials and other stocks
  - financial resources — capital and other sources of finance
- the role of quality control, quality assurance and total quality management (TQM)
- the importance of monitoring and reviewing business performance, eg solvency, measuring profits, complying with laws, identifying areas for improvement.

<table>
<tr>
<td>2.3</td>
<td>**Financial management in business**</td>
<td>Businesses need to manage and measure their financial performance and check important indicators of their financial 'health'. You will have to consider a number of points about the financial performance of businesses, including those businesses you have studied, such as:</td>
</tr>
</table>

- the importance of profitability and liquidity (solvency) to businesses
- the difference between assets, liabilities, expenses and revenues
- constructing financial statements:
  - profit and loss account — sales and cost of sales, gross and net profit, their meaning and calculation
  - a simple balance sheet — structure and meaning of fixed and current assets, current liabilities (displayed to show net current assets [working capital]); long-term liabilities, share capital and shareholders' funds, the difference between share and loan capital
- the purpose, construction, benefits and limitations of cash flow forecasting
- interpreting cash flow forecasts and suggesting appropriate action to take
- how budgeting provides financial targets and the purpose of the main budgets — sales, production, purchases, labour, capital expenditure, cash, profit and loss
- using budgetary control variances — sales, materials, labour and fixed overheads — to monitor performance
- how break-even analysis helps monitor business performance
- calculating and interpreting break-even charts
- how changes in variables such as fixed costs affect break-even
- the limitations of using break-even analysis to monitor performance.

| 2.4 | The use of software to aid decision-making | Businesses nowadays rely heavily on ICT (Information and Communication Technology) to be efficient. Business software is widely used, for example in processing documents, making calculations and keeping records. You will have to consider a number of points about using business software to help decision making in businesses, including those businesses you have studied, such as: |

- how spreadsheets are used for record-keeping and other financial purposes, including:

  – cash flow and profit forecasting

  – budgeting

  – break-even analysis

- how word processing and database software can lead to improved business efficiency

- being aware of how businesses use:

  – specialist software, such as accounting software

  – the internet as a source of information

  – email as a means of communicating (internally and externally)

  – e-commerce as a method of trading

- appreciating the main legal and corporate issues associated with using ICT in a business environment:

  – the influence of data protection and health and safety factors

  – the importance of confidentiality when dealing with client information.

Assessment evidence

You will investigate the setting up of a small business, which provides a service to the local area only.

Examples of services include providing desk top publishing, printing logos on clothes, running a school shop, offering a cleaning or valeting service, supplying food or other items for special occasions.

Each individual's assessment evidence will consist of a presentation, using ICT, to include:

(a)* a plan for the business covering the proposed legal form, main objectives and stakeholders of the business. Research and analysis of the market in which it will operate will also be provided

(b) an explanation of how the business will manage its activities, including the human, physical and financial resources needed and an analysis of how the business will manage these to provide a quality output

(c) financial management information to include identification of and explanation of the main start-up and running costs for the business and consideration of how the business will monitor its performance, with particular reference to cash flow forecasts and break-even analysis using software where appropriate

(d) An explanation of how software can support the business including evidence of how it will help the business to operate efficiently.

Usually this unit will be a precursor to *Unit 7: Investigating Enterprise* (where learners will have the opportunity to put their investigations into practice in running a business) **and will be an investigation only**

Learners can work in **groups of up to a maximum of three.** If learners work together in small groups, each learner must provide an individual presentation covering all aspects of the assessment evidence and showing clearly their individual contribution to the group work.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1,** **AO2,** **AO3** **QWC** **(i-iii)**	Basic knowledge and understanding of the key planning factors associated with starting a business, evidenced by basic factual statements made about actual or proposed aims, legal form and stakeholders, with attempted research and analysis of the market. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-7)**	Sound knowledge and understanding of the key planning factors associated with starting a business, evidenced by relevant factual information identified, suitably organised, and mainly accurate descriptions with some research and analysis. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(8-12)**	Comprehensive knowledge and understanding of key planning factors associated with starting a business, evidenced by detailed explanations of each area researched and a good analysis of the market situation such as consideration of pricing policy. 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. **(13-15)**	**15**
(b) **AO1,** **AO2,** **AO3**	Basic knowledge and understanding of managing business activities, evidenced by basic statements made relating resources to the chosen business, and some statements about quality issues. **(0-8)**	Sound knowledge and understanding of managing business activities, evidenced by relating a range of resources to the chosen business and by describing relevant quality issues. **(9-12)**	Comprehensive knowledge and understanding of managing business activities, evidenced by analysing practical issues such as the relevance and cost of the resources, and the approach to quality. **(13-15)**	**15**
(c) **AO1,** **AO2,** **AO3,** **AO4**	Basic knowledge and understanding of financial management, evidenced by the selection of some start-up and running costs, and a description of monitoring business performance, eg by making generalised references to cash flow forecasts and break-even analysis. **(0-9)**	Sound knowledge and understanding of financial management, evidenced by selecting relevant start-up and running costs, and providing a simple analysis of business performance such as producing some relevant figures in the form of cash flow forecasts and break-even analysis. **(10-15)**	Comprehensive knowledge and understanding of financial management, evidenced by an appropriate selection of start-up and running costs, and a structured and integrated assessment of monitoring performance by producing and evaluating cash flow forecasts and break-even calculations. **(16-18)**	**18**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1,** **AO2,** **AO3**	Basic knowledge and understanding of business software, evidenced by an attempt to identify and describe commercial software packages likely to be relevant to the chosen business. **(0-6)**	Sound knowledge and understanding of business software, evidenced by an explanation of how general software might be used effectively by the business, with reference to relevant specialist software. **(7-9)**	Comprehensive knowledge and understanding of business software, evidenced by clear analysis of how spreadsheets, word processing, dedicated and other software might help improve the efficiency of the chosen business. **(10-12)**	12
			Total marks	60

(For description of AOs see *Appendix D: Performance descriptions*.)

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Assessment guidance

Mark band 1

Assessment evidence (a) requires learners to describe the main factors involved when setting up the chosen business. Regardless of the choice made, these factors should include aims and objectives, stakeholders, and legal and market issues. At the lower end of the mark range, learners are likely to present information about one or two of these factors only, for example, a basic description of the form of ownership accompanied by a simple list of stakeholders. Issues will be dealt with in a simplistic fashion, with learners perhaps assuming that — because it is in a business studies textbook — information included in the report must be fully applicable to the chosen business. Full marks in this band can be awarded if learners consider all key factors, but in limited depth. There will be an attempt at research and analysis of the market.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

For *assessment evidence (b)*, learners are expected to identify and describe the main resources needed by the business. At the lower end of the mark range there is likely to be an over-concentration on one resource area, eg human resources, and/or a failure to relate the 'textbook' information on resources to the chosen business. To achieve the higher end of the mark range, learners should be able to make simple statements about how each resource relates to the chosen business, for example, 'Of the financial resources I gave as examples, I think the following will be important for my business...'

Assessment evidence (c) requires learners to demonstrate some knowledge and understanding of financial management issues. At the lower end of the mark range, learners will simply have listed, eg some relevant start-up and running costs, and/or shown some generalised knowledge of the nature of cash flow forecasts or break-even charts. To achieve higher marks in Band 1, learners should make some simple descriptive statements, for example concerning the relevance of the chosen costs to the chosen business.

To achieve *assessment evidence (d)* in this band, learners need to be able to make some simple comments about the range of software available to businesses. To achieve marks at the lower end of the range, these comments are likely to focus on one area of software such as spreadsheets, whereas to achieve full marks, learners must be able to describe a range of software packages likely to be relevant to the given situation.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a) requires learners to describe, and at least partly explain, the relevance of the main factors involved when setting up the chosen business. Even at the lower end of the mark range, learners should be able to present information about each main factor: for example, giving a description of the form of ownership accompanied by an organised and relevant list of stakeholders. To achieve the upper range of marks, learners should demonstrate knowledge of all main factors, possibly with some relatively limited descriptions in one area being offset by detailed explanations in another. Comments on the research into the market situation of the business will be descriptive rather than analytical.

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.

For *assessment evidence (b)*, learners are expected to describe and explain issues associated with managing business activities. To achieve this band, compared with mark band 1, learners will demonstrate an understanding that not all resources will apply equally to the chosen business. At the lower end of the mark range there is likely to be an over-concentration on resources with a failure to consider how these resources relate to issues of quality, for example, in the context of human resources learners may not consider the value of training when seeking to improve quality. To achieve full marks learners should be able to make explanatory statements about how each resource relates to the chosen business, and also to consider quality issues, although this will be done in a descriptive rather than an analytical fashion.

Assessment evidence (c) requires learners to demonstrate a sound knowledge and understanding of financial management issues. At the lower end of the mark range, learners will identify and explain the relevance of a range of start-up and running costs, and/or describe how cash flow forecasts or break-even charts might be used by the chosen business. To achieve higher marks in mark band 2, learners should at least produce some realistic illustrations of cash flow forecasts and break-even figures in the context of the chosen business.

To achieve *assessment evidence (d)* in this band, learners need to be able to make suitable explanatory comments about the range of software available to the chosen business. To score marks at the lower end of the range, these comments may again focus on a single area of software such as spreadsheets, but — unlike mark band 1 — they will be detailed, and the relevance to the chosen business will be explained. To achieve full marks learners must be able to explain how various generalised and specialist software packages may help the chosen business improve its efficiency.

(See the section *Applying the mark bands* for further guidance.)

| Mark band 3 | **To achieve a mark in this band, learners must be able to provide substantial evidence of independent work in all four assessment evidence areas.** |

Assessment evidence (a) requires learners to explain and analyse the relevance of the main factors involved when setting up the chosen business. The achievement of this level is likely to be characterised by learners' ability to express relevant ideas using their own words and phrases, and the ability to interrelate and integrate knowledge from relevant business functions such as management (eg legal form, aims and objectives) and marketing (eg pricing, promotion). Even at the lower end of the mark range, the learner should be able to at least partly analyse all the main factors. For example, the learner may give an explanation of the form of ownership accompanied by an analysis of why all listed stakeholders are relevant. Also, whilst the aim of survival is likely to apply and be chosen by learners at all levels, those who reach this level will be able to analyse the relevance of this aim clearly in context. To achieve the upper level of marks, the learner should show not only a detailed knowledge of these factors, but also the ability to analyse the market situation of the chosen business, eg by reference to pricing policy and likely competitor action.

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.

For *assessment evidence (b)*, the learner is expected to analyse issues associated with managing business activities. To achieve this band, compared with mark band 2, the learner will demonstrate an understanding of which resources are relevant, and an awareness of issues such as cost and availability of resources. At the lower end of the mark range the learner is likely to concentrate on analysing resource issues, giving only brief consideration to how these resources relate to issues of quality for example, in the context of human resources the learner may acknowledge the value of training when trying to improve quality but then fail to consider the likely difficulty in setting up training for, eg a sole trader. To achieve the upper range of marks the learner should make analytical statements about how each resource relates to the chosen business, and also analyse quality issues, eg in terms of availability and cost.

To achieve *assessment area (c)* at this level, the learner must be able to fully research the financial management of the business, and to provide a detailed analysis of the research undertaken. Performance at the lower end of the mark range is likely to be characterised by good quality research, supported by explanation and analysis rather than by evaluation, or by some sound analysis that lacks evaluation and which is based on rather limited research. To achieve higher marks in mark band 3, the learner should produce detailed realistic illustrations of both cash flow forecasts and break-even figures in the context of the chosen business, evaluating their suitability and any limitations or weaknesses associated with using them as forecasting tools. The learner will also be able to show an understanding of issues such as liquidity, eg through commenting on the cash flow forecast, and profitability, eg by some consideration of profit margins and/or contribution from break-even analysis.

To achieve *assessment evidence (d)* in this band, the learner needs to be able to make suitable analytical comments about the range of software available to the chosen business. Again, to gain marks at the lower end of the range these comments may focus mainly on one type of software, but — unlike mark band 2 — there will be analysis rather than explanation of how this software is relevant to the chosen business, for example by considering issues such as cost and the need for training. To achieve the upper range of marks the learner must be able to fully analyse how software packages may help the chosen business improve its efficiency.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Business planning

This unit is designed to encourage learners to learn about how businesses are established, and how they operate in the economy. However, if learners are only doing three AS units, they can set up and run a mini enterprise if they wish. It may be the first unit to provide them with a thorough grounding in approaches to learning that are typical of the whole programme. These approaches include planning independent and group work, collecting primary and secondary data, and presenting their findings in an appropriate format, eg a computer-based presentation with supporting documentation. Learner research is likely to provide opportunities to develop skills of independent learning, such as planning, information seeking, and evaluation.

Teachers are encouraged to use a variety of strategies. Although the idea of 'a plan' is quite straightforward, learners will need to have at least a basic understanding of financial, marketing and production terms and concepts relevant to planning in these areas. This content needs placing in context in this unit, the context is the setting up of a new business.

Real business plans are available in, for example, company annual reports and on the internet pages of many businesses. The teaching centre itself is likely to have a business plan, part of which may be accessible to learners, and newspapers are also a good source of business developments relating to planning. However, teachers may need to interpret and/or condense any large-scale business plans in the light of the unit's assessment requirements, which focus on setting up a small business.

Learners will need help in selecting an appropriate business venture for their work. Teachers will have to check that the business venture selected allows learners the opportunity to cover the full scope of the unit assessment, yet at the same time is realistic/manageable in terms of constraints such as having to collect data, the market, and learner study time. Teachers will also need to advise learner groups if a decision is taken to work in pairs or groups of three.

Managing business activities

This section outlines the importance of obtaining and using resources efficiently, and of the related issue of quality. Much has been written on the latter, and the use of websites such as that of Investors in People (www.investorsinpeople.co.uk) may provide up-to-date information. When considering issues of quality, teachers can draw attention to, and also make use of information from, the Customer Service sections in local businesses. Any consideration of resources should include studying those used by local businesses, for example, the school or college could act as an excellent source of information here.

This section also acknowledges that a vital element in the planning cycle is that of monitoring the business plan. Company and other business reports will provide information, some of which is likely to be sufficiently straightforward for study at this level. Some results from monitoring procedures are displayed diagrammatically, and — when this occurs — this can be a valuable teaching resource concerning how information should be displayed. There are links here that can be made with the section *The use of software to aid decision-making*.

Financial management in business

This section has been designed to familiarise learners with the main features and concepts of business finance. Learners are not expected to learn the mechanics of double-entry book-keeping, and therefore accounting textbooks are likely to be of limited relevance. Teachers will need to concentrate on important financial concepts such as profitability and liquidity, and to contextualise it by referring to relevant stakeholders and their differing interests. Although double-entry skills are not being developed, learners will still need to understand the two main financial statements – profit and loss, and balance sheet (knowledge of cash flow statements is not required). Learners must also become familiar with those finance-related areas associated with looking ahead such as budgets and cash flow forecasts, rather than looking back.

Textbooks may act as the main source for this and other financial information, because they (at least attempt) to simplify what can be very technical and confusing information. The use of full company published accounts is not recommended for this reason. Some final accounts and other financial statements are presented in simplified format on the internet, and the Bized and other educational websites can provide valuable real-life information.

The use of software to aid decision making

Studying this section should help learners develop their existing ICT skills in the areas of searching and using spreadsheets and other software.

The main thrust of the section, however, is how ICT is used as a business tool. The portfolio's requirements to consider aspects such as cash flow will give learners the opportunity to use ICT, and there are many everyday examples of how ICT is used in our economy. One starting point is the government's internet database (www.statistics.gov.uk), and many business websites and printed reports illustrate the effective use of ICT for summarising and presenting information in a meaningful way.

Links

Other units

Staff delivering this unit need to be aware that it has close links with *Unit 1: Investigating People at Work*. This unit builds on the knowledge gained on business aims, objectives and organisation, and business planning, covered in *Unit 1*.

This unit links closely with *Unit 1: Investigating People at Work*, and *Unit 3: Investigating Marke*ting. These three units form the core AS content for the GCE in Applied Business. There are a number of close links between this unit and the other core units.

Unit 1: Investigating People in Business introduces learners to business aims, objectives and structures.

Unit 3: Investigating Marketing develops this unit's consideration of planning and managing business activities by exploring the influence of changing economic and market conditions.

There are important links with other AS and A2 units. Studying how to set up a new business will give learners a good introduction to the content of *Unit 4: Investigating Electronic Business*, *Unit 5: Investigating Customer Service* and *Unit 6: Investigating Promotion*. *Unit 7: Investigating Enterprise*, takes the 'philosophy' of this unit further, and the A2 units, *Unit 8: Business Development* and *Unit 13: Organising an Event* both develop skills and knowledge gained in this unit.

Industry	This unit can be linked to industry through:

- visits to a range of local businesses to discuss business history, development and growth
- guest speakers from local businesses with experience of setting up and controlling their own businesses
- use of business websites and publications as source material.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Cooke G — *Business Studies Update: A Student Guide* (Hidcote Press, 2005) ISBN 1898837902

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press, 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Gillespie A — *Business in Action* (Hodder & Stoughton, 2002) ISBN 0340848200

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Websites

Major companies and other businesses operate their own websites. They provide useful information such as their mission statements and financial status.

Although company reports are not written with education in mind, they may contain suitable examples of how software is used in business, and occasionally, simplified financial summaries. These can be obtained easily, for example direct from public limited companies, or by email request.

www.bized.co.uk	Provides interactive and online models and simulations for teachers and learners, and provides a valuable direct access to company reports in the UK and around the world.
www.berr.gov.uk	The Department for Business Enterprise and Regulatory Reform site is a useful source of information on setting up business, and enterprise.

www.ft.com	*The Financial Times* website will help keep learners up to date with business matters, and contains an excellent archive.
www.investorsinpeople.co.uk	The Investors in People site provides a library of case studies, and has statistics and recent research materials.
www.lsneducation.org.uk	The Learning and Skills Network (LSN) produces the Vocational Learning Support Programme, a resource that provides materials, publications and information for supporting the delivery of high quality vocational learning, including applied GCSEs, A-levels and other work-related learning, with help for practitioners and learners at both 14-16 and 16-19.
www.thetimes100.co.uk	*The Times* site is a free educational resource for teachers and learners, providing 100 case studies of companies and business issues.

Introduction

To be successful businesses need effective marketing to achieve their business objectives. This will include determining the needs and wants of target markets and delivering the desired goods or services more effectively and efficiently than its competitors.

Businesses need to know what it is they are selling, its price, who they are selling to, where it is being sold and why people buy that type of product or service. This unit will help you to understand this.

Recommended prior learning

Unit 1: Investigating People at Work and *Unit 2: Investigating Business*.

What you need to learn

3.1 Identifying marketing aims and objectives

A business will use different marketing activities depending on the objectives it is aiming to achieve. These objectives are:

- understanding customer wants and needs
- developing new products
- improving profitability
- improving market share
- diversification
- re-launch of product
- increasing brand awareness.

To achieve these objectives, the business will need to identify its target market through the use of market segmentation and consider:

- how markets are segmented, ie, geographic, demographic and psychographic
- niche or mass marketing.

3.2 Using appropriate methods of market research

You need to understand the purpose of market research:

- to identify target markets
- to identify size and structure and dynamic of market
- to identify competition.

You need to be able to carry out appropriate market research using the following:

- primary research, eg questionnaires, observations, test marketing, focus groups, consumer panels, trade audits

- secondary research such as

  - internal business data in terms of customer information and financial records, eg data and loyalty cards and sales records/data

  - external sources, eg commercial research reports, government statistics, trade journals, media sources

  - the difference between quantitative (numerical) and qualitative (how people feel) data, and when they are used

- how useful the data is (does it provide the required information?), its validity, use and limitations

- interpretation and use of the data derived to make valid choices on how and to whom to market the products or services.

3.3	**Choosing an appropriate marketing mix**	The marketing mix refers to the combination of elements within a business's marketing strategy, designed to meet/influence the needs/wants of customers to generate sales. You will need to use elements of your research to support your mix.

The choice of marketing mix aims to target products towards a group of potential customers. The marketing mix will vary according to the objectives you are trying to achieve and the results of your market research. For example, the mix chosen for the launch of a new product of a small business will be different to the launch of a product by a large business.

You need to develop an understanding of the factors that go towards determining:

- price

- product

- place, (including web-based)

- promotion.

3.4	**Other factors influencing the marketing mix**	In addition to the results of your market research and the target market you wish to reach, you need to understand how the mix selected will be affected by both internal and external constraints in terms of:

- costs

- political and economic factors

- legal factors

- environmental/ecological factors.

Assessment evidence

You are required to produce an appropriate marketing mix for a new or existing product or service.

Your work must include evidence for the assessment of:

(a) identification of the objectives and segmentation

(b) identification and carrying out appropriate market research

(c)* devising a marketing mix

(d) justification of all aspects of your devised marketing mix for your product/service.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) − (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1**	Description of the chosen product/service, basic description of the marketing objectives and the relevant segmentation and target market. **(0-10)**	Explanation of why the product/service has been chosen, what the marketing aims and objectives are and steps taken to identify the target market and segmentation. **(11-15)**	Comprehensive explanation illustrating depth of knowledge and understanding of the product/service, marketing aims and objectives, target market and segmentation. **(16-21)**	**21**
(b) **AO3**	Carry out and produce evidence of basic marketing research (both primary and secondary) evidenced by a limited range of sources for your chosen product or service. There will be some attempt made at basic analysis of the information. **(0-6)**	Carry out and produce evidence of sound market research (both primary and secondary) evidenced by a good range of relevant sources. There will be analysis of the primary and secondary research and extraction of the relevant information for your chosen product or service. **(7-9)**	There will be comprehensive research evidenced from a wide range of relevant sources, together with comprehensive original analysis. **(10-12)**	**12**
(c) **AO2** **QWC** **(i-iii)**	Creation of a basic marketing mix for your specified product/service that covers all the relevant Ps. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-8)**	A detailed marketing mix for your product/service which shows a good understanding and knowledge of the relevant Ps. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(9-12)**	A comprehensive marketing mix which is clearly linked to the research and segmentation evidence and shows depth of knowledge and understanding of the relevant Ps. 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. **(13-18)**	**18**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO4**	Basic evaluation of the marketing mix evidenced by conclusions made without supporting reasons. **(0-3)**	Justification of marketing mix showing a range of supported relevant evidence, arguments and conclusions. **(4-6)**	**Comprehensive and fully justified account of all aspects of the selected marketing mix showing originality of thought.** **(7-9)**	**9**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

For *assessment evidence (a)* learners need to be directed in choosing their product to investigate a homogenous product with a range of users, across market segments. Products such as yoghurt or chocolate, would be good examples as they come in a range of qualities and prices and have a range of image and brand identifiers.

Learners will then describe their objectives and segmentation in general terms and show that they have an understanding of segmentation and target market.

Learners may describe a range of segmentation factors and show how they create a profile of a target group, using examples. At the lower end of the band, information provided, such as aims, segmentation and market, may be simplistic/basic and contain omissions and be 'textbook information' without much reference to the chosen product. At the upper end of the band the information presented will be fuller and show more relevance.

For *assessment evidence (b)* the information from secondary data should give some market information about the chosen product. This could be information on trends in eating, exercise, activities, hobbies, population structure or any other relevant information.

Equal marks should be given for primary and secondary research and data.

At the lower end of the range, the research may be limited, perhaps with an emphasis on secondary research which is listed, but which gives little application to the product/service, together with some simple primary research, eg classmates.

At the upper end of the band there will either be more relevance and understanding shown in the information used, or more sources forming the research and a simple analysis of the information and wider primary research, eg different segments.

For *assessment evidence (c)* learners need to demonstrate that they understand the marketing mix and its components.

Learners will need to show how the components relate to each other to form a coherent mix. At the lower end of the band there may be little or no reference to the research and unequal treatment of the 'four Ps'. At the top end of the band will be the beginning of the learner's explanation for choice.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

For *Assessment evidence (d)* there will be a simple justification for the choice of marketing mix. At the bottom end, there will be little or no supporting reasons or evidence for other internal or external factors relevant to the product or service, eg cost. At the top end, there will be some supporting reasons or evidence, eg the weighing up of more than one factor.

(See the section *Applying the mark bands* for further guidance.)

| Mark band 2 | For *assessment evidence (a)* learners will explain how segmentation applies to the chosen product/service. Marks should be awarded for each aspect of segmentation that is correctly applied whether image, quality, status etc. |

For *assessment evidence (b)* there needs to be a combination of research to determine the characteristics of the target group, or size of market, or competition with some indication as to the most relevant information. There has to be some specific conclusion from the research such as lifestyle, or socio-economic group. Lower marks for a simple interpretation, with higher marks depending upon the use of a range of indicators.

For *assessment evidence (c)* the marketing mix is applied to the chosen product or service, with reasons as to how the specific mix is linked to produce the desired product ethos/values. Higher marks are to be awarded on the basis of how effectively the elements of the marketing mix are linked together.

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.

For *assessment criterion (d)* for lower marks the other factors will be related to the product, clearly showing how the factors would affect the product.

For higher marks the other factors will be related to the marketing mix decisions to show how the factors have affected the decisions.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

For *assessment evidence (a)* the evidence for segmentation and the aims and objectives data will be combined to demonstrate how the link between the two sets of data have been used to determine the chosen segment/target group. Where the learner has demonstrated a clear justification for their choice, linked to the objectives and segmentation, top marks are to be awarded. Lower marks will be awarded for detailed understanding of aims and objectives or segmentation without a clear link to each other.

For *assessment evidence (b)* the identified target group and or market segment uses the data from the research. There must be a real application of the data to the chosen target group. Top marks are to be awarded where there is a range of factors identified within the research and then grouped to form the target group.

For *assessment evidence (c)* where learners have clearly and comprehensively described a marketing mix linked to segmentation, so that the profile of the target group clearly matches the marketing mix, higher marks are to be awarded. Where the linkage is unclear, lower marks are to be awarded.

The combination of the research analysis, with the segmentation, thereby justifying the segmentation and chosen marketing mix, deserves higher marks.

Where the learner has attempted to combine the research with the segmentation but there are inconsistencies then lower marks are to be awarded.

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.

For *assessment evidence (d)* the work will show a fully justified marketing mix with reference to a complete range of relevant influencing factors.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Identifying marketing aims and objectives	A good introduction to segmentation would be for learners to look at the profiles of their peers to determine lifestyle profiles. Useful comparisons could be made by looking at market segmentation issues relevant to either the tutor or older relatives. There are educational videos (see *Resources* section) on marketing that demonstrate the profiling of society.
Using appropriate methods of market research	Learners need to understand the difference between primary and secondary research. Simple questionnaires can be devised and tested and evaluated among their the learners' group.
	It will be a useful introduction to secondary research for the tutor to provide examples of internal and external data sources.
	It is important for learners to be aware of the difference between qualitative and quantitative data and it will be useful if learners are provided with examples from a real business or via a case study.
	Once learners have an understanding of research methods and data collection, they will be able to discover the difficulties a business has in collecting relevant information for decision making. The investigation of database information such as national statistics and social trends will help put the information into context.
Choosing an appropriate marketing mix	This is a difficult topic to apply, especially for low value products. It is easier to demonstrate when using current factors such as the housing boom and the effect this could have on related markets such as white goods. Another issue could be the impact of trade disputes on steel tariffs and the knock-on effect on products.
Other factors influencing the marketing mix	This needs to be taught using products that have distinct target groups. This will enable learners to understand how buyer behaviour is an essential element of segmentation, eg the purchase of patio heaters to higher-income families who have large gardens and who are more likely to have patios and hold outdoor social events.
	The use of a number of case studies to demonstrate different concepts will be necessary, eg a comparison of the marketing of a luxury and a basic car, or different types of food.

Links

Other units   *Unit 6: Investigating Promotion* and *Unit 10: Marketing Decisions.*

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks   BPP — *CIM — 1 Marketing Fundamentals: Passcards* (BPP Learning Media, 2007) ISBN 0751741566

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press, 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press, 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Hill E and O'Sullivan T — *Foundations of Marketing* (FT Prentice Hall, 2003) ISBN 0273655329

Hill E and O'Sullivan T — *Marketing, Second Edition* (FT Prentice Hall, 1999) ISBN 0582369371

Jobber D — *Principles and Practices of Marketing, Fifth Edition* (McGraw-Hill, 2006) ISBN 0077122275

Kotler P et al — *Principles of Marketing, Fifth Edition* (Prentice Hall, 2008) ISBN 0273720643

Lancaster G and Reynolds P — *Marketing Made Simple* (Made Simple, 2002) ISBN 075064771X

Needham D and Dransfield R — *Marketing for Higher Awards* (Heinemann, 1999) ISBN 043545529X

Needham D and Dransfield R — *Marketing: Everybody's Business* (Heinemann, 1994) ISBN 0435450255

Proctor T — *Essentials of Marketing Research, Fourth Edition* (FT Prentice Hall, 2005) ISBN 0273694944

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Websites	www.adassoc.org.uk	Advertising Association.
	www.argos.co.uk	Argos.
	www.asa.org.uk	Advertising Standards Authority.
	www.bized.co.uk	Business case studies appropriate for educational purposes.
	www.cadbury.co.uk	Cadbury.
	www.cim.co.uk	Chartered Institute of Marketing.
	http://cmeducation.co.uk	Vocational education resources.
	www.consumerpsychologist.com	'The Psychology of Consumers', University of Southern California — information on consumer behaviour and marketing.
	www.hoover.com	Hoover.
	www.marketingteacher.com	Resources for marketing learners.
	www.the-dma.org	The Direct Marketing Association.

Videos

Marketing Mix Series provides a wide range of relevant topics and looks at all aspects of marketing; it is available from:

TV Choice Videos
PO Box 597
Bromley
Kent
BR2 07B

Telephone: 020 8464 7402
Fax: 020 8464 7845
Email: tvchoiceuk@aol.com
Website: www.tvchoice.uk.com

The BBC 2 Learning Zone produces a number of videos on marketing topics and products such as Skoda, Selling to Kids, Mars, Haagen Daz, etc (www.bbc.co.uk/learningzone).

Other resources

Marketing Week

Regional Trends

Social Trends

Unit 4: Investigating Electronic Business

Internally assessed

Introduction

Increasingly, businesses are establishing their own websites and are using the internet to advertise, promote and sell their products and services. This unit provides you with opportunities to investigate businesses with a web presence, to consider the aims and objectives of online presence and to allow you to make your own judgement on what makes a good website.

Recommended prior learning

Unit 2: Investigating Business and *Unit 3: Investigating Marketing.*

What you need to learn

4.1 Understand the purpose of an online presence for business

You need to know that purposes include:

- supporting the achievement of business aims and objectives, eg increasing sales, profit maximisation, attracting new staff, improving customer service, cost cutting, increasing efficiency, appealing to a global market

- providing effective communication, eg global business, 24-hour, visual factors

- providing flexibility of location

- being user friendly and responsive

- giving information about the business in terms of legal format, type, target market, sector and product range.

4.2 Understand the impact that having a website has on a business

You should understand:

- the impact of the website presence on customers, competitors, suppliers, the business itself

- the immediate short-term effects of the website (positive and negative)

- what the long-term effects could be if the website is not updated

- what a business should include on its website and why

- the impact on a business of having a website.

| 4.3 | Factors influencing the establishment of an online presence | In your analysis, you need to consider the influence of the following factors on the use of the internet by a new business: |

In your analysis, you need to consider the influence of the following factors on the use of the internet by a new business:

- relevant up-to-date legislation and selling regulations as they apply to online business

- the cost implications of an online presence, eg web design, consultancy, employing relevant staff, hardware and software cost implications, training, ongoing support

- the opportunities created by the existence of electronic business, eg increased efficiency for online order, secure payment site development, personalised marketing, direct 'dialogue' with customers, global audience, corporate image

- the dangers that exist alongside the opportunities for business, eg potential for hacking, impact of viruses, competitors having access to your business information, bad design alienating the target customer

- what makes an effective website and the visual criteria/site design, including factors such as navigation, timings, ease of use, effort, user satisfaction, media rich versus functionally able, how well it reaches the 'target' customer.

4.4 Understand the requirements for the planning/ establishment of a new website

You will need to consider the following when planning and creating your website:

- the use of appropriate web-authoring tools

- industry standards with respect to web presence, domain name creation, registration services, maintenance and listing with internet Service Providers (ISPs)

- simple security measures, eg anti-virus software, firewalls, secure payment

- appropriate use of design — colour, image, font, media mix (advertisements, promotions, sound, videos, graphics)

- who your target customer is

- purpose of the site, eg educational, promotional, informative, commercial, recreational

- how to promote your business on the internet by

  – liaison with stakeholders

  – banner advertisements

  – sponsoring trade events

- the Data Protection Act 1998 and customer-confidentiality

- costs, consultants and ways to create the site.

Assessment evidence

Your work must include evidence for assessment of:

(a)* a comparison of the websites of two existing organisations, and consideration of whether they fulfil the purpose of an online presence

(b) an evaluation of the website of one of the organisations and recommendations for improvement.

(c) an analysis of the factors influencing the use of the internet by a new business

(d) a plan and design of a simple website. To achieve higher marks you must construct a website.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1, AO2** **QWC (i-iii)**	Identification of the purpose of an online presence and a simplistic description of the content of both websites. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-9)**	An explanation of the purpose of an online presence using relevant examples of how two organisations meet their aims and objectives with an electronic presence on the internet. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(10-15)**	Using relevant examples, discuss whether both organisations meet their aims and objectives with an electronic presence. 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. **(16-20)**	20
(b) **AO4**	Identify the strengths and opportunities created by the internet presence of one business. **(0-5)**	Identify the strengths and opportunities created by the internet presence of a business and explain clearly, using examples, the drawbacks of their internet presence. **(6-8)**	Evaluate the website of a business and make recommendations for its improvement in relation to the business achieving its aims and objectives. **(9-10)**	10
(c) **AO3**	Show research of the factors influencing the establishment of an online presence. **(0-6)**	Research and analyse the importance of factors influencing the establishment of an online presence using relevant examples. **(7-9)**	Research and analyse the potential opportunities and constraints of a business having a presence on the web and justify the decision to create a website. **(10-12)**	12

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1, AO2**	Draw up an outline plan showing initial thoughts for the construction of a basic website for a business that currently does not have a presence on the web. (0-8)	Present a design brief for the proposed new website, which is appropriate to the selected business. (9-13)	Construct the new website, which is appropriate to the selected business, using relevant software. (14-18)	**18**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a) requires learners to give a basic description of the purpose of a business having an electronic presence on the internet, together with a simplistic description of two websites. At the lower end of the mark range the learner is likely to have only described a few features/items of content on the websites. The purpose for going electronic on web is likely to be a list of points such as 'increasing customer base' or 'increasing market share'. For higher marks learners should elaborate on their suggestions, and almost begin to demonstrate some awareness of how business objectives are met.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

As*sessment evidence* (b) requires learners to identify the strengths and opportunities created by the internet presence of one business. Again this may be a list of points, and if this is the case, the learner should only be awarded the lower marks within this band. For higher marks in this band the learner may evaluate this business from a customer standpoint, developing further on the list of points.

Assessment evidence (c) requires learners to research the factors influencing the choice of whether to establish an online presence. For full marks the learner must cover the positive aspects as well as some of the negative aspects. At the lower end of the mark band, there may just be a list of unconnected factors.

If the learner has required regular support and guidance to ensure that progress is made, then the maximum mark available is 6, even if the quality of the work suggests it should be in mark band 2 or 3.

Assessment evidence (d) requires an outline plan for a new website. In doing this, the learner should present an outline plan to show the initial thoughts on the construction of a simple website for a new business.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a) requires an explanation with examples of how two businesses meet their aims and objectives with an electronic presence. For full marks in this band, the explanation of purpose will be comprehensive and clearly illustrated, with relevant examples of how these businesses meet their aims and objectives with an electronic presence on the internet. Lower marks in the band may be gained by linking aims and objectives generally to a particular website, but the explanation or examples may be tenuous or incomplete.

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.

Achievement of *assessment evidence* (b) is characterised by weaving explanation into the text. The 'strengths and opportunities' required need not number more than would be expected for mark band 1, as it is the variety and relevance that is important. Therefore, the 'major drawbacks' are important in this band. The range chosen might still omit one or two significant factors. However, to start achieving credit the learner must provide a detailed explanation of at least two drawbacks, backing them with fully illustrated examples. Evaluation of the opportunities created by e-business for the organisation should include a consideration of the extent to which supposed opportunities may prove to be exaggerated, over hyped or based upon unrealistic assumptions of customer response.

Assessment evidence (c), to start achieving credit in this band the learner must identify a range of factors affecting the potential online presence of a new business with some explanation, and detailed explanation of at least one factor. Clearly the range of factors chosen by the learner will depend on the analytical technique chosen by the learner (eg SWOT, PESTLE). Full marks should be awarded to the learner who follows their chosen analytical technique and provides detailed explanations. For example, the threats created by a new business' online presence include firms who are able to use the website for their own information purposes to formulate a strategy for their continued existence or dominance in the industry. This could be catastrophic for the new business if the existing firm is able to use pricing policies which do not allow the new business to continue to operate in the industry in the longer term. Lower marks in this band may be awarded for weaknesses in analysis or for irrelevance or lack of examples.

Assessment evidence (d), for full marks in this band the learner needs to not only professionally present the suggested website material, but to complete this with a clear plan as to how the website will/can become operational or live by being uploaded on the web. For example, the learner may make recommendations to the business as to what their next steps should be how best to move forward with the website by recommending website creation businesses.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3	Achievement of *assessment evidence* (a) is characterised by the skills of interpreting good business website design and content, and credit cannot be awarded in this band without it. The learner must have explicitly chosen two businesses to explore in detail. It would be useful if selection provided one business that meets its aims and objectives with an electronic presence on the internet and another business which fails to do this effectively. For full marks at this level the examples should not only be given, but should be carefully chosen to support an awareness of good and poor website content and design.

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.

The work for the achievement of *assessment evidence* (b*)* must be explanatory in style. Once again, the distinction between bands is one of quality rather than quantity, and so the 'recommendations' required need not be high in number. All recommendations must have some detailed explanation, for example, that T-Mobile could improve the quality of its website in relation to its interface with the customer by adding sound which reads the text to appeal to a 'wider audience'. This would help visually-impaired users/potential T-mobile internet customers to gain access to the company's customer/product information, thereby helping to increase its target market. For full marks, most of the recommendations will have detailed explanation, and there may be an attempt to indicate which are most significant.

In order to achieve a mark in this band, the learner must have worked independently.

Achievement of *assessment evidence* (c): 'justify' requires the learner to appraise the outcome of their analysis of a potential online presence of a new business and to make a judgement on the feasibility of an online presence. For full marks, learners must justify their judgements with examples of both positive and negative factors.

Assessment evidence (d): a simple website for a new business using 'relevant software could be a simple template available on the Microsoft Office package, FrontPage or Macromedia Dreamweaver. At the lower end of the mark band learners will have used very simple templates to create an online presence with few pages and/or links. For full marks, the learner will have structured the website carefully, and will have given consideration to the target customer and to the design implications for the user. The website may include passive product and business promotion in the form of online adverts for events or product information flyers.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

This is a new area of the business studies curriculum, posing new challenges as well as offering new rewards to teachers and learners alike. Centres should bear in mind that this unit is not a re-delivery of traditional business studies material or an adapted ICT course.

Business websites

This unit is essentially about how businesses present themselves and their reasons for doing so. It is imperative that learners have access to appropriate ICT facilities as a learning tool. This is not to say that all the work must be based around the computer and the internet; simply that learners need access to these facilities in the initial stages of delivery. Learners will need to work independently from PCs and to reflect critically on what they see on the web. The full investigation can be an accumulation of 'visits' to different websites over a period of time. It may be helpful for learners in the initial stages to design their own list of criteria for a given site and then allow group work feedback to discuss the range of criteria, highlighting the relevance of the key criteria.

Learners should be encouraged to explore the full range of organisations across different commercial sectors from b2b (business to business organisation) b2c (business to consumer organisation), g2b (government to business organisation) and g2c (government to consumer organisation). In doing so, the delivery of this unit can contribute to learners' understanding of moral, ethical, social, cultural, European and global as well as environmental issues around business operation.

Evaluation of the website of one business making recommendations for improvement

This activity builds on the learning developed whilst investigating different business websites. There is a clear need to deliver a session on different analytical techniques, to discuss their appropriateness for analyses and then to allow the learner to choose their favoured technique. Alternatively, learners may wish to develop their own matrix following from the Boston Matrix, choosing relevant variables as appropriate for the analysis. For example, comparing low to high opportunities with low to high threats, with the four grid boxes indicating what the implications would be for the business in each of the four instances. It may be easier in the delivery of this part of the unit to gain higher marks by planning to evaluate the website first with a few recommendations. Then to return to these recommendations at a stage after the learner has experienced constructing a website, to adjust or fine tune or comment on the feasibility of these recommendations. It is quite feasible for learners to cover this content through some form of presentation, an appropriate PowerPoint presentation would gain higher marks.

Analysis of the use of the internet for a new business	The 'new' business could be a brand new business, an enterprise project that the learner is working on or, alternatively, a business 'new' to the internet ie an existing business operating in traditional ways without an online presence.

This is the area where a substantial amount of time should be spent on delivering the content. The analysis is wide and requires initial brainstorming activities to identify the potential boundaries of the analysis, with clear and focused delivery and research being carried out on the individual aspects that affect an online presence.

Most relevant textbooks will cover some aspect of the range of content indicated, but teachers will need to refer to a variety of different textbooks. It is advisable to deliver the content by illustrating the point being made via appropriate websites, or newspaper articles reviewing the emergence of the internet, its opportunities and threats. In this way, the learning experience can be tailored to learner needs at a local level, with website illustrations reflecting learner interest, motivating them further in their understanding and making analysis more accessible. |
| **Construction of a simple website for a new business** | This area of the unit may, in fact, be the unfamiliar part for a business studies teacher to deliver, but it is not an area that is technically demanding. There is a range of software available from Macromedia Dreamweaver, Microsoft FrontPage to simple templates on Word. The important part is not to take up too much time in the delivery of this part of the unit in relation to others. The temptation to do so will be there, but learners can work on developing their web pages in their own time. Macromedia is more versatile than Microsoft FrontPage, although FrontPage is very easy to use and may be a starting point for learners and teachers alike. Learners should have reasonably developed ICT skills to be able to complete the website to a high technical standard. Emphasis should, however, be placed on the importance of the website meeting the business aims and objectives and not simply web pages full of 'tricks' like flashing objects and logos. A rationale for the design of the website is a core element of this work. |

Links

Other units	This unit builds naturally on the learning developed in *Unit 2: Investigating Business* and *Unit 3: Investigating Marketing*. There is scope for the more able learner to integrate this unit evidence with that of Unit 3. Within the optional units there is scope for joint delivery for aspects of *Unit 5: Investigating Customer Service* and *Unit 6: Investigating Promotion*.
Industry	There is ample scope for developing links with national businesses or utilising existing links with charities or local government or local business. Where the centre has been sponsored by an organisation(s), this unit may provide the opportunity to develop a work-related curriculum setting for the investigation, analysis and evaluation.

Where the centre has links with small local businesses without a web presence, the work could develop around a 'consultancy' approach being carried out by learners in order to analyse the feasibility of an online presence for the local business with further work, if appropriate, being carried out on the development of the website for this business. |

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

It is important to remember that this unit supports the development of a new type of business practice and, therefore, there is no definitive textbook that will guide the teacher through the unit. However, there are many excellent textbooks covering the range of topics within electronic business. Fortunately, these are often written by vocational specialists and will provide the deliverer with useful teaching strategies. Most business textbooks will be useful for the initial areas of the unit, but specialist textbooks will need to be referred to for the unit.

Amor D — *The E-business Revolution, Second Edition* (Prentice Hall, 2002) ISBN 0130670391

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Haig M — *E-Business Essentials* (Kogan Page, 2001) ISBN 0749435275

Howell D — *Successful E-Commerce in a Week, Second Revised Edition* (Hodder Arnold, 2002) ISBN 0340849479

Langford-Wood N and Salter B — *eCommerce Without Tears* (Prentice Hall, 2000) ISBN 0130897329

Langford-Wood N and Salter B — *The Complete Idiot's Guide to e-Commerce UK* (Prentice Hall, 2000) ISBN 0130904023

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Yuill V — *Successful internet Marketing* (David Grant Publishing, 2001) ISBN 190130616X

New textbooks for the study of business, as well as e-commerce and e-marketing books will be useful to keep abreast of changes in this sector and keep the subject matter vocational.

Websites

The following are e-business websites which, in different ways, illustrate the range of content within the unit.

www.amazon.com	Online shop.
www.bbc.co.uk	BBC website.
www.doubleclick.net	Provides tools for online advertising and marketing.
www.easyjet.com	easyJet.
www.google.com	Google search engine.
www.lastminute.com	Last minute travel/entertainment bookings.
www.marketing-online.co.uk	Provides internet marketing training and consultancy.
www.msn.com	Internet provider.
www.ryanair.com	Ryanair.
www.webdesign.about.com	Provides advice on website design and software.
www.webreference.com	Provides advice on website design and software.
www.webtrends.com	Provides advice on website design and software.
www.unplug.com	Provides advice on website design and software.

Multimedia

- Microsoft Word has web page design tutorials.
- Macromedia Dreamweaver (specialist web design software).
- Microsoft FrontPage (the Microsoft compatible version of web design).

Other resources

Computer Weekly

The Guardian Online Supplement

Marketing Weekly

Net Profits

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Unit 5: Investigating Customer Service

Internally assessed

Introduction

Customer service is one of the key aspects of any successful business organisation. The aim of this unit is to explore customer service issues and to examine the skills, knowledge and understanding required to deliver, monitor and improve customer service.

Recommended prior learning

This unit has links to all other units in the qualification, with particular reference to aspects of *Unit 1: Investigating People in Business* and *Unit 2: Investigating Business*.

What you need to learn

5.1 The organisation and its customers

You will need to understand the importance of customer service in a variety of business contexts. For example, how customer service applies equally to all business organisations, whether involved in providing services or selling goods. You will need to understand the wide variety of customers that an organisation has, and consider their different needs and expectations.

You will need to understand:

- the impact of customers, both new and old on the organisation

- the difference between internal and external customers

    - internal, eg colleagues, other departments, service providers

    - external, eg individuals, families, different ages, different cultures

- the needs of different customers, eg age, sex, socio-economic factors, disabilities, language problems, lifestyle

- the expectations of the organisation's customers, ie pre-transactional, transactional and post-transactional.

- how customer expectations affect the degree of customer service, eg compare complex expensive or essential products/services with simple inexpensive or non-essential products/services.

| 5.2 | Effective customer service | You need to understand what customer service includes and that by definition, it includes a number of features in your evaluation of the organisation: |

- staff, eg appearance, prompt service, helpfulness, reliability, accuracy of information, teamwork, training

- premises, eg layout, tidiness, accessibility, well-stocked

- providing quality products/services, eg after-care service, value for money, added value, competitive edge.

You need to understand that communication is the key to effective customer service and the importance of presenting the right image to customers. You will need to learn the right skills to be able to deliver effective and efficient customer service. You will need to consider:

- different methods of communication, eg telephone, letter, email

- interpersonal skills when dealing with customers face to face, eg body language, attitude, hygiene, personality, behaviour, conversational skills

- knowledge of a range of products and services offered by the organisation — prompt and reliable information or referral to expert

- meeting the needs of the customer without compromising the needs of the organisation, eg mission statements, needs and expectations of all stakeholders, customer charters, customer lifetime value

- the impact on the organisation of effective and ineffective customer service, eg handling of complaints, keeping records, remedial measures, organising policy, difficult/aggressive customers.

5.3 Maintaining and improving customer service and keeping customers

You will need to understand the importance of maintaining and improving the quality of customer service. You will learn about techniques to monitor and improve customer service and retain customers including:

- knowledge of internal complaints procedures

- the use of customer service charters/codes of practice

- monitoring customer service and complaints

- reviewing and recommending changes to customer service procedures

- customer service training needs in light of customer service review

- loyalty schemes, club discounts.

You will consider:

- collection of data, eg customer, product/service, level of care

- sources of information, eg customers, colleagues, management

- methods, eg questionnaires, quality circles, staff surveys

- reliability.

| 5.4 | Customer service legislation | You will need to understand the importance of legislation, regulations and a safe working environment in the context of customer service and from a business organisation's point of view. You will need to: |

- learn the key concepts of up-to-date UK and EU legislation

- understand the implications of business organisations not complying with UK and EU legislation

- learn the requirements for a safe and secure working environment eg policies and procedures for safety of personnel or visitors, security procedures.

Assessment evidence

You need to investigate the customer service of two contrasting organisations, (eg small/large, private sector/public sector) and how each fulfils its customer expectations. You can use your own school or college as part of the investigation. Present your evidence in the form of a presentation using speaker notes. Your customer service investigation notes and a detailed witness statement from your tutor must support your presentation.

Your work must include evidence of:

(a) the needs and expectations of the two contrasting organisations' internal and external customers

(b) evaluation of the strengths and weaknesses of the customer service activities of one of these organisations and suggestions for improvements

(c)* research and analysis of how the chosen organisation maintains, monitors and improves the quality of services expected by customers

(d) the impact and effects of legislation on the customer service offered by one organisation.

Learners may work in pairs, but evidence of individual contribution must be provided.

* Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1, AO2**	Identification and description of the internal and external customers of the organisations, their needs or expectations. **(0-10)**	Explanation of the expectations of the organisations' internal and external customers using relevant illustrations. **(11-15)**	Detailed explanation and illustration of how far customer service in the two organisations meets customer needs and expectations. **(16-20)**	**20**
(b) **AO4**	Basic evaluation of the customer service activities of a chosen organisation (this may merely be a list of strengths and weaknesses), together with a recommendation which may not be linked to the evaluation. **(0-4)**	Sound evaluation of the customer service activities of a chosen organisation, showing judgement in the selection and presentation of findings with some supported conclusions and recommendations. **(5-7)**	Detailed evaluation revealing judgements, fully supported conclusions and appropriate recommendations. **(8-10)**	**10**
(c) **AO3** **QWC (i-iii)**	Description of how the organisation maintains, monitors and improves customer service quality, based on information from a limited range of sources together with partial analysis. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-6)**	Explanation of how the organisation maintains, monitors and improves customer service quality, using relevant and up-to-date information from a range of sources together with analysis of the information. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(7-9)**	Detailed review and analysis of the quality of customer service in an organisation and its maintaining, monitoring and improving methods and techniques using information from a wide range of sources and full analysis. 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. **(10-12)**	**12**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1** **AO2**	Identification of key UK and EU legislation, regulations and working procedures in relation to products and services offered by the organisation. **(0-9)**	Explanation of the key UK and EU legislation, regulations and working procedures in relation to products and services offered by the organisation. **(10-14)**	Explanation of the key UK and EU legislation, regulations and working procedures in relation to products and services offered by the chosen organisation. Higher marks will be given where learners can apply findings to particular products and/or services with realistic examples. **(15-18)**	**18**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a) requires learners will need to select two different organisations either contrasting sizes or sectors, with preferably well-developed customer service functions. At the bottom of this mark band it will be sufficient to earn marks for identification of appropriate customers, either internal or external to the businesses, together with some mention of their needs or expectations. The number of marks awarded will reflect the breadth and depth of the identification. Certainly in the mid band and above, there should be coverage of both internal and external customers and expectations or needs.

Assessment evidence (b): Learners will need to provide a simple evaluation of the customer service of one of the organisations. At the lower end of the band this may consist of simple statements such as 'X has good customer service because …'. Higher up the band would some prioritising of evidence to support the recommendation made is expected although there may be a focus on only some areas, for example, learners may identify and describe the various methods used by the organisation in communicating with its customers or evaluate the skills needed for those engaged in customer service to be able to carry out their roles. Higher marks will arise where the learner considers a wider base of customer service.

Assessment evidence (c): it will be sufficient here for learners to describe what happens when 'things go wrong' from the customer's point of view — how the organisation responds and what arrangements exist to check how satisfactorily the process operates. Higher marks will arise when the learner is able to demonstrate breadth and depth of knowledge and understanding from the chosen organisation's practices.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (d): learners will be expected to be able to identify aspects of UK and EU legislation regulations and working practices relevant to the chosen organisation in its dealings with customers; particularly in relation to the products and services it offers. Where learners are able to find examples of how the impact of legislation may arise with reference to the organisation, higher marks will be given.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a): at the bottom of this band there should be a description of the different internal and external customers together with their needs and expectations. Better marks will be given where relevant illustrations are used to link needs, expectations and requirements to the specific organisations chosen.

Assessment evidence (b): work in this band will show a sound evaluation of a wider range of customer service activities in the organisation. There will be clear prioritising of evidence and arguments leading to clear judgement in the selection of appropriate related recommendations.

Assessment evidence (c): learners will need to look at the actual code(s) or charters of good practice operated by the chosen organisation in relation to how it deals with the issue of maintaining and improving the level of customer service, as well as how the issues of customer complaints may be addressed. Better marks will be given when learners are able to draw conclusions about the operation of codes and charters.

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.

Assessment evidence (d): an explanation that offers clarification of how legislation regulations and working practices can affect the organisation's dealings with customers will be required. Higher marks will be given where learners can apply findings to particular products and/or services with realistic examples.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

Assessment evidence (a): in this band individual thought, illustrations and detail will be apparent, showing clear knowledge and application of different customers' needs and expectations to the different relevant businesses.

Assessment evidence (b): learners at this level will be expected to present a SWOT style exercise demonstrating clear reasoned judgement and recommendations.

Assessment evidence (c): at this level, learners will be able to provide either a justification of existing practices and procedures, or the requirements for change as well as the effects changes might bring. Learners will demonstrate an ability to look into the likely effects of change as well as the effects of leaving matters as they are.

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.

Assessment evidence (d): for marks at this level, learners will need to look in detail at the legislation, regulations and working practices relevant to the organisation. Better marks will be given to learners who are able to suggest ways in which the organisation may have to adapt its practices in the light of probable legislative changes, particularly in relation to EU law.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

5.1   The organisation and its customers

Learners will require clear guidance on the choice of organisation to be investigated. There is no requirement as to which businesses are suitable. As well as large retail businesses, utility organisations such as water, gas and electricity supply companies, or passenger transport companies usually have a well-developed customer service focus. Many local authorities are accessible and have easily obtained useful information. Although textbook definitions of 'internal' and 'external' customers are useful it will be necessary for learners to examine what these terms mean in relation to the chosen organisation. Information will need to be obtained in order to gain ideas on the needs and expectations of customers. Knowledge and understanding concerning how the organisation uses its knowledge of customers to meet identified needs will also be necessary. Learners will need to obtain information from the organisation.

5.2   Effective customer service

Depending on the choice of organisation, this will require an initial examination of the methods of communication used to convey the customer service message to the customer. Once again, it will be necessary for learners to obtain appropriate information concerning the skills and aptitudes needed by staff involved in customer service and how the organisation may enhance and develop them. Where learners have direct working knowledge, perhaps through part-time employment or work experience, this information may be more readily accessible, although it could be necessary for the assessor to elicit such information from the chosen organisation(s) where a large number of learners are involved. Learners working at higher levels will need to be able to link the customer service experience to the stated mission or aims of the organisation.

5.3   Maintaining and improving customer service

This section looks at the quality of customer service within the chosen organisation, and learners will need to learn about the concept of 'quality' within this context. One way would be to examine the organisation's procedures when matters 'go wrong', eg when faulty goods are returned or following a customer complaint of poor service. This could be treated via simulation, role play or other practical exercises that allow learners to experience both sides of the situation. A better understanding will allow learners to examine how matters might be improved and this could be further enhanced where examples of good or 'best' practice can be found. These may include such practices as 'mystery shopper' and 'suggestion box' schemes. Learners should also be introduced to the concept of quality standards and such techniques as 'benchmarking' in relation to customer service. Many organisations now have a 'code' or 'charter' stating what customers may expect and a number of these could be introduced and compared against experience. By examining the claims against the experience, learners will be able to make suggestions for improvements and staff training as may be required.

| 5.4 | Customer service legislation | This starts with a basic introduction to legal issues affecting organisations selling goods/providing services to customers. Learners will not be expected to know the detail of all legislation relating to customer service. Specific examples should be obtained from within the range of goods and services offered by the organisation to allow learners to demonstrate understanding of how legislation may be applied. Equally, learners will need to know and understand the nature and role of regulatory bodies, eg trading standards departments or the Competition Commission. Learners should also be introduced to those aspects of EU regulation that apply to the organisation investigated and the possible consequences of non-compliance with all relevant legislation and standards, using specific examples wherever possible. |
| | | Requirements for a safe and secure working environment should also be considered. |

Links

Other units

This unit builds on the ideas developed in *Unit 1: Investigating People* at Work and *Unit 2: Investigating Business*.

Industry

Learners may benefit from a visit to a local branch of a large supermarket where an established customer service desk operates. Alternatively, such aspects as legislation could be introduced via a speaker from the local trading standards office. Where links exist with the local authority these could be used in a similar manner. Education Business Partnership links could also be useful.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Bee F and Bee R — *Customer Care, Second Edition* (Chartered Institute of Personnel and Development, 1999) ISBN 0852927762

Blanchard K and Bowles S — *Raving Fans* (HarperCollins, 1998) ISBN 0006530699

Blohowiak D and Karr R — *The Complete Idiot's Guide to Customer Service* (Macmillan Publishing Company, 1997) ISBN 0028619536

Bray T — *The Customer Care Pack* (Fenman Ltd, 1991) ISBN 187248302X

Clutterbuck D — *Making Customers Count* (Management Books 2000 Ltd, 1993) ISBN 1852521090

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Decker B — *The Art of Communicating* (Crisp Publications, 1996) ISBN 156052409X

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Hayes J and Dredge F — *Managing Customer Service* (Gower Publishing Limited, 1998) ISBN 0566080052

Johns T — *Perfect Customer Care* (Random House Business Books, 2003) ISBN 184413153X

Smith I — *Meeting Customer Needs* (Butterworth-Heinemann, 2003) ISBN 075065984X

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Tjosvold D — *Teamwork for Customers* (Jossey Bass, 1993) ISBN 1555424910

Websites

www.ico.gov.uk	Information Commissioner's Office.
www.instituteofcustomerservice.com	Institute of Customer Service.

Many organisations provide information about customer service on their websites.

Videos

Many of the television 'fly-on-the wall' documentaries, such as the *Trouble at the Top* and *Blood on the Carpet* series are well suited to discussions on customer service.

The BBC's Learning Zone frequently features programmes on customer service. Information and programme timings can be found on www.bbc.co.uk/learningzone

There are many commercially made videos available such as *Who Cares Wins — Customer Care* (available from BBC for Business) and *Serving Your Best Interests*, which is available from:

Confederation of British Industry (CBI)
Centre Point
103 New Oxford Street
London WC1A 1DU

Telephone: 020 7395 8195
Fax: 020 7379 0945
Website: www.cbi.org.uk

Other resources

Magazines, journals and other publications

There is a wide range of magazines and journals available to support the delivery of customer service across a broad range of sectors, for example *Business Review* (Phillip Allen Publishers). Tutors should use an appropriate selection to support the context of the unit and the approach they take to delivery.

Company data, publications and promotional literature

There is a wide range of printed material available from organisations at little or no cost. Learners will find such materials useful in explaining customer service and how it is supported by a range of products and services in different organisations.

The Institute of Customer Service

The Institute of Customer Service offers a number of products that support the delivery of this unit, including:

- The Big Book of Customer Games (Code 1677)
- Coaching — Knock Your Socks Off Service (Code 1676)
- Customer Service for Dummies (Code 1519)
- The Customer Service Handbook (Code 1678)
- The Nordstrom Way (Code 1681)
- Telephone Tactics (Code 1675)

These and other publications are available from:

The Institute of Customer Service
2 Castle Court
St Peter's Street
Colchester
Essex CO1 1EW

Telephone: 01206 571716
Fax: 01206 546688
Email: enquiries@icsmail.co.uk

Externally assessed

Introduction

It could be said that we live in a world of promotion. Much promotion is taken for granted, providing a backdrop to our work, learning and leisure activities. In this unit you will learn about the exciting world of marketing communications and the process and the application of promotion. This unit will also enable you to understand how promotional tools can be co-ordinated to help achieve business or organisational objectives.

Recommended prior learning

Unit 2: Investigating Business will help establish the business context in which advertising is used.

Unit 3: Investigating Marketing will help establish promotion within the overall marketing mix.

External assessment

This unit will be assessed through an examination set and marked by Edexcel.

There will be a 1 hour and 30 minute examination paper.

The number of raw marks available is 90.

The examination will be available in the January and June examination series.

The paper will be a question and answer booklet.

What you need to learn

6.1 Promotional tools and how they are used to affect buyer behaviour

You need to understand how promotion is used by businesses. To do this you will need to learn how people process information and the influences that affect buying and purchasing decisions.

There are many different promotional tools that form part of the promotional mix. You need to develop a working knowledge of the most commonly used promotional tools, as follows:

- advertising
- sales promotion
- public relations
- direct marketing
- sponsorship.

You need to investigate the role promotional tools have in affecting buyer behaviour; they do this by:

- achieving business objectives

- creating/raising awareness

- providing information

- communicating effectively

- promoting the business and its products

- creating/enhancing/changing image.

6.2 Investigating promotional media

There is a variety of media used for promotion. You need to learn about and become familiar with the main types of media available:

- print

- audio

- moving image

- ambient, eg product placement, stickers

- new media, eg texts, pop-ups, web based.

You need to learn how to evaluate and compare different media based on:

- strengths

- limitations

- cost

- production requirements.

6.3 Constraints on promotion

There are internal constraints that will affect decisions regarding promotional campaign. You need to understand:

- costs

- expertise of staff

- technical resources available.

In addition, there are external constraints in place to protect society and individuals from being offended, cheated, misled or exploited by promotional activity. You need to know how promotion is constrained by:

- regulation, eg OFCOM's remit for advertising, radio etc

- legislation, eg Trade Descriptions, Sex, Race and Disability Discrimination and Equal Opportunities Acts

- voluntary codes

- ethical considerations

- organisations involved

- EU issues.

| 6.4 | Assessing a promotional campaign | Like all other business activities, marketing communications need to be carefully planned, organised and co-ordinated. You need to be able to assess the different elements of promotional campaigns in terms of: |

- objectives

- targeting

- production

- cost

- organisation — agency versus in-house

- evaluation and results

- measuring effectiveness.

You also need to learn how to evaluate media campaigns based on these criteria.

Assessment evidence

This unit will be assessed through an external assessment.

The mark you achieve for this assessment will be your mark for the unit.

The external assessment will be in the form of a graded test. This test will consist of a range of questions. The content of the external assessment will relate directly to what you should have learned as a result of the activities you have carried out as part of your work for this unit.

You will need to be able to apply the knowledge, skills and understanding of the unit to the demands of the questions set. The ability to transfer knowledge, skills and understanding to different situations is an invaluable preparation for employment, training, further education and higher education. External assessment is one example of where this transference is critical, eg coping with the controlled conditions of an external assessment, scenarios and responding to questions.

The external assessment will require evidence of:

(a) being able to demonstrate your knowledge, skills and understanding of the subject content of this unit and relevant business skills

(b) being able to apply your knowledge, skills and understanding of the subject content of this unit and relevant business skills

(c) being able to use appropriate methods to carry out research and analysis relevant to the subject content of this unit

(d) some ability to evaluate and reach reasoned judgements on the suitability of planned campaigns or the results of campaigns carried out, based on the subject content of this unit.

Delivering this unit

Looking at promotion, advertising and marketing communications

To get the most out of this unit learners need an awareness and understanding of the most commonly used promotional tools. It is vital that learners are encouraged to look at as many, and as wide a range of promotions, advertising and marketing campaigns as possible. Having looked and taken note, learners should be provided with a forum to review, compare and critically evaluate the campaigns that they have seen. This should be tackled from the learners' perspective, as a member of the audience on the receiving end of promotions and advertising and by considering the aims and objectives of the organisation running the campaign. It is important that learners try to identify the method of motivation being employed within the promotion itself. This activity will hopefully increase the application of knowledge that learners are expected to acquire in their work for this unit. In addition, this activity will help learners understand how promotion and advertising is thought to work, contributing to *What you need to learn* item 6.4: *Assessing a promotional campaign*.

Experiencing different media

Exposure to different media used in promotion is important so that learners can experience how the media is used to communicate a message, and the effect that different media can have on the audience. This should not be limited to 'classic' media, but should also include new media. Learners should not just be on the passive, receiving end of the different media, but should be encouraged to explore the reasons why different media have a different effect on the audience. Contact with media owners should provide some insight. These contacts, as they are employers, will provide an opportunity for enhancing how the learning for this unit is work related. Understanding how different media affect their audience will contribute to *What you need to learn* item *6.2 Investigating promotional media*.

Contact with real organisations using promotion and advertising

Contact with real organisations is an essential part of the learning requirement for this unit. This is not just to help acquire real advertising or promotional briefs, (very useful for *What you need to learn* item *6.4: Assessing a promotional campaign*), but will also provide opportunities for building strong industry contacts that can be used for increasing work-related learning.

Contact with advertising and promotions agencies

Contact with advertising and promotion agencies will be very useful. They should be able to provide examples of real campaigns, their results and evaluation. Their experience of running a range of different campaigns for different clients with different objectives should help contribute to *What you need to learn* item *6.1: Promotional tools and how they are used to affect buyer behaviour*. This should also help *6.4: Assessing a promotional campaign*, and may also provide opportunities for building strong industry links that can be used for increasing work-related learning.

Contact with media production

Contact with media production organisations will be very useful. They should be able to help provide examples of the way that media is produced and used for real campaigns, for *What you need to learn* 6.2 *Investigating promotional media*. Also these contacts should help *6.4: Assessing a promotional campaign*, and may also provide opportunities for building strong industry links that can be used for increasing work-related learning.

Research/testing/ measuring consumer response	Learners should be given the opportunity to plan and carry out consumer research based on the testing and measuring of consumer response to advertising and promotion. They should also be given the opportunity to analyse the findings of this research. This could be done through simulation using data from real campaigns or case studies. Another approach would be to research the plans for a real campaign for the school, college or other organisation with which you or the learners have established contact. The most important factor of this activity should be that it is based on real advertising or promotion, with associated aims and objectives, rather than a theoretical exercise. This activity should help prepare learners for *What you need to learn* item *6.4: Assessing a promotional campaign*. In addition, learners will have the opportunity to gain practical experience for item *6.2 Investigating promotional media*. If a real campaign is used for this research and evaluation there may also be an opportunity for learners to experience some degree of work-related learning.
Analysing advertising campaign	Learners should be given the opportunity to analyse real advertising or promotional campaigns. This can be done through simulation or by analysing a real campaign for the school, college or other organisation with which you or the learners have established contact. This activity should help prepare learners for *What you need to learn* item *6.4: Assessing a promotional campaign*. There may also be an opportunity for learners to experience some degree of work-related learning.
Use of learner's own experience	Learners will have been exposed to a great deal of promotion and advertising. They will each have an opinion or an interpretation of what they see and how they have been affected by promotion. It is very useful to explore these opinions and interpretations and use the results to confirm learners' reading of a situation, or correct any misunderstanding. This process will help learners' understanding of the whole unit, and in particular *What you need to learn* item *6.1: Promotional tools and how they are used to affect buyer behaviour*.

Links

Other units	This unit has links with unit content in GCSE Applied Business (Double Award) and GCSE Media. AS Business: • *Unit 2: Investigating Business* will help establish the business context in which advertising is used. • *Unit 3: Investigating Marketing* will help establish promotion within the overall marketing mix.

| Industry | The Institute of Practitioners in Advertising (IPA) is the trade body and professional institute for leading agencies in the UK's advertising, media and marketing communications industry, covering the Creative, Direct Marketing, Healthcare, Media, New Media, Outdoor, Sales Promotion and Sponsorship sectors. |

Website: www.ipa.co.uk

The Institute of Sales Promotion (ISP) aims to police and maintain the highest standard of self regulation within the sales promotion industry

Website: www.isp.org.uk

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Cave S — *Consumer Behaviour in a Week* (Hodder Arnold, 2002) ISBN 0340849711

Clark A — *Organisations, Competition and the Business Environment* (FT Prentice Hall, 1999) ISBN 0201619083

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Hill E and O'Sullivan T — *Marketing, Second Edition* (Longman, 1999) ISBN 0582369371

Gilmore F — *Brand Warriors* (Profile Business, 1999) ISBN 1861975929

Klein N — *No Logo* (Flamingo, 2000) ISBN 0006530400

Kotler P et al — *Principles of Marketing, 5th Edition* (Prentice Hall, 2008) ISBN 0273720643

Jobber D — *Principles and Practices of Marketing, Fifth Edition* (McGraw-Hill, 2006) ISBN 0077122275

Needham D and Dransfield R — *Marketing: Everybody's Business* (Heinemann, 1994) ISBN 0435450255

Proctor T — *Essentials of Marketing Research, Fourth Edition* (FT Prentice Hall, 2005) ISBN 0273694944

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Websites	www.adassoc.org.uk	The information centre on the Advertising Association website has lots of useful information about the advertising industry.
	www.asa.org.uk	The Advertising Standards Authority (ASA) is the independent, self-regulatory body for non-broadcast advertisements, sales promotions and direct marketing in the UK. The ASA administers the British Code of Advertising, Sales Promotion and Direct Marketing (The CAP Code) to ensure that advertisements are legal, decent, honest and truthful. The ASA was founded in 1962 and is independent of both the Government and the advertising industry.
	www.cap.org.uk	For information on self-regulation in the UK.
	www.dandad.org	The British Design and Art Direction website.
	www.ipa.co.uk	Institute of Practitioners in Advertising (IPA): the IPA is the trade body and professional institute for leading agencies in the UK's advertising, media and marketing communications industry.
	www.ofcom.org.uk	Ofcom is the UK's communications industry regulator with wide-ranging responsibilities across the UK's communications markets.
Other resources	*Marketing Week*	

Unit 7: Investigating Enterprise

Internally assessed

Introduction

This unit offers you the opportunity to investigate and experience the role of enterprise and innovation in the business world. It allows you to consider the skills necessary to be successful, together with an opportunity to investigate factors which lead to the success/failure of a business.

Learners will, in groups, participate in the launching, running and monitoring of a company and new enterprise and will, therefore, gain live, practical experience of business. They will have the opportunity to reflect on and assess their own individual and team performances. They will also participate in the 'winding up' of the company.

Recommended prior learning

Unit 1: Investigating People at Work, Unit 2: Investigating Business, Unit 3: Investigating Marketing.

What you need to learn

7.1   Launching a company and enterprise

To launch a company it is necessary to understand the structure and relevant legal formalities and requirements. Planning and research for the product/service to be operated by the company will also be necessary. When setting up the company, you will need:

- knowledge of company formation and structure — the company name, types, number of shares, shareholders, directors, voting, meetings etc

- to take account of preparation of company documents — memorandum and articles of association

- knowledge of choice of product/service — costs, timescales, materials, resources, demand, market research, prototypes, environmental issues

- to identify and assess the planning processes — business plan, mission statement, health and safety, capital, financial planning, how to make a profit

- to understand and apply wider business issues — types of business, features of enterprise such as opportunities and risks, innovation, creativity and entrepreneurship, factors and limitations on growth, and the impact of market forces.

| 7.2 | Company officers, roles and responsibilities | As a company is a legal entity and not a person, it needs officers to run it. It is necessary to understand the roles and responsibilities of company officials. When setting up the company, you will need to take account of: |

- roles and responsibilities of the board, chairman, directors, company secretary, accountants and auditors

- the skills and qualifications necessary for the various roles

- the importance of team working and communication to the various roles

- the importance of evaluating the individual roles, their interrelationship and contribution to the enterprise as a whole.

| 7.3 | Monitoring the performance of a company | Once the company is incorporated, monitoring the daily performance of your company and its functional areas is essential. |

You will need to take account of:

- team working, particularly support and motivation of team members

- meetings — efficient and regular dissemination of information

- regular reviews, both personal and company

- production totals and quality control

- promotion strategies

- financial performance, particularly cash flow, break-even and bank accounts

- purchasing

- sales forecasts and targets.

| 7.4 | Winding up your company | A company does not die. To terminate it for whatever reason, it has to be wound up. It is necessary to understand the function and effect that winding up has on the company, its employees, shareholders and assets. |

You need to understand:

- effective planning for winding up

- all relevant documentation and reporting

- closing down trading activities

- distribution of assets

- financial implications

- impact of and on external factors.

Assessment evidence

Your work for assessment must consist of:

(a) an individual diary or journal showing evidence of your participation in the launch, planning and running of the company and an evaluation of your own contribution

(b)* an individual report on all the other roles and responsibilities in the launch, planning and running of the company, and an evaluation of those roles and their contribution to the enterprise

(c) a group presentation and report explaining the planning and preparation which went into launching the company and product/service and which assesses the issues involved in the day-to-day running and monitoring of the business, its financial performance and the winding up of the business

(d) an individual report reviewing and evaluating the success of the whole enterprise.

The group presentation and report must include individual contributions.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1,** **AO2,** **AO3,** **AO4**	Outline evidence provided in diary showing participation in choice of some launch issues, eg company name, structure, research for product/service, documents and planning. Minor but identifiable contribution to running of business. Basic but personal and subjective evaluation. **(0-8)**	Detailed evidence in diary/journal of strong participation in choice of most of launch issues such as company name, structure, product/service research, documents and planning. Sound presence and contribution to running of business. Evaluation of role showing objectivity/ rounded consideration and illustrations. **(9-12)**	Full evidence provided of influential participation in choice of most of launch issues such as company name, structure, product/service research, documents and planning. Substantial influence and contribution evident in running of business. Fully-rounded and objective evaluation using well-selected relevant examples. **(13-15)**	**15**
(b) **AO1,** **AO2,** **AO3** **AO4** **QWC** **(i-iii)**	Basic report which identifies some other roles and responsibilities in the company, but the information may be lacking detail or may not be applied fully across all areas of launch, planning and running. Evaluation may be one sided and unsupported with inconsistency of detail across roles. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-5)**	Sound report describing most roles and responsibilities across all areas of launching, planning and running of the company. There will be some evidence of application of knowledge to the practical roles. The evaluation will show balance and be supported with relevant examples. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(6-8)**	Detailed report explaining all roles and responsibilities across all areas of launching, planning and running of the company. Good application of knowledge and understanding to these practical roles. Fully-supported evaluation, using well-selected relevant examples. 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. **(9-10)**	**10**
(c) **AO1** **AO2** **AO3** **AO4**	Basic contribution to the group presentation and report evidenced by responsibility being taken for a minor area or task. There may have been failure to participate fully as part of the team. **(0-12)**	Sound contribution to the group presentation and report evidenced by being a good team member who has fulfilled responsibilities and individual contributions to time and in appropriate detail. **(13-19)**	Evidence of substantial contribution showing originality of thought to the group presentation and report including outstanding contribution in some areas of the presentation or the report, together with a strong and supportive team member. **(20-25)**	**25**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO3** **AO4**	Basic individual report reviewing and evaluating the success of the whole enterprise but coverage may be uneven and lack detail. Evaluation may be simplistic and lack conclusions or recommendations. **(0-5)**	Sound individual report reviewing and evaluating the success of the enterprise evidenced by detailed and relevant information used to analyse the enterprise, and some supported conclusions and appropriate recommendations are made. **(6-8)**	Detailed report with relevant examples used to analyse the enterprise, the report contains fully supported and justified conclusions and appropriate recommendations. **(9-10)**	**10**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a): it will be unlikely that diary/journal evidence will be weak if participation was strong or vice versa, but if this is the case, then higher marks in the band will be awarded for strength in one of these. At the bottom of the band both the diary and participation will be weak.

For marks in this band, learners will have been involved in launch issues, such as choosing the name, objectives, subject of the enterprise, structures etc, but may only have been on the outside of the discussions, with little input, perhaps through lack of interest, effort, or being reserved. An identifiable contribution to the running of the business is necessary, but again in this mark band, there may have been unenthusiastic participation, perhaps because the learner disliked/badly performed the role given, or allowed others to take the decisions and the responsibility. There must be some evaluation, but this is likely to be simplistic unsubstantiated statement(s) which will be subjective in nature.

Assessment evidence (b): for marks in this band, the learner will provide a basic report on other roles and responsibilities together with assessment of their contribution to the overall enterprise. However, the report may be predominantly a description of the roles and statement of responsibilities without examples of real tasks undertaken, the skills needed for the roles, or the interaction with the other team members and their roles within the company. The evaluation may not be an objective statement, and may be simplistic, and not backed up with actual evidence. There may be little depth to the assessment of the contribution made to the company venture, which again is likely to be simplistic and unsubstantiated.

At the bottom of the band some roles and responsibilities may be omitted and there may be little or no assessment. At the higher end of the band there will be either broader or deeper coverage of roles and/or assessment.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (c): there must be clear evidence of individual contribution to the final group report, and interim reports and presentations (where made). For marks in this band it may be obvious that although contribution is evident, it was not proportionate to other team members, it was not sustained throughout the project, or it was just done as a bare minimum throughout.

Assessment evidence (d): for this band the report will be basic, making simplistic, unsubstantiated, often sweeping statements about the success of the enterprise. There will be little depth to the consideration of issues such as team working, communication, financial management, marketing, sales/production and their interrelationship. Some areas of consideration may well have been omitted.

At the bottom end of the band substantial areas may be omitted and evaluation will be basic. At the top end of the band coverage of the areas considered will be wider or deeper and although still simplistic, the evaluation will prioritise some evidence.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a): for this band the diary will be detailed and have been produced individually and without supervision or assistance. Diary evidence may be stronger than participation and vice versa, and marks may be awarded for strength in one of these.

For marks in this band, learners will have been involved in launch issues, such as choosing a name, objectives, subject of the enterprise, structures etc, and will have played a leading part in some of the discussions, with sound input. Sustained contribution to the running of the business is necessary, and in this mark band, there will have been enthusiastic participation, showing conscientious performance of the role given, often taking decisions and a fair share of the responsibility in the business. The assessment will begin to show objectivity and will be illustrated by a few relevant examples.

Assessment evidence (b): for marks in this band, the learner will provide a sound report on other roles and responsibilities together with assessment of their contribution to the overall enterprise. The report will include a description and explanation of the roles, and a detailed consideration of the responsibilities included, together with a few examples of real tasks undertaken, the skills needed for the roles, and the interaction with the other team members and their roles within the company. The assessment will be an objective statement, but may be simplistic in places, and not backed up totally with actual evidence. There will be a sound assessment of the contribution made to the company venture, which may be simplistic and unsubstantiated in just a few places.

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.

As*sessment evidence* (c): there must be clear evidence of individual contribution to the final group report, and interim reports and presentations (where made). For marks in this band it will be evident that contribution was sound and substantial in relation to other team members, and was sustained throughout the project.

Assessment evidence (d): for this band the report will be sound and statements made about the success of the enterprise will often be substantiated. There will be reasonable depth to the consideration of issues such as team working, communication, financial management, marketing, sales/production and their interrelationship. Most areas will have been considered.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

Assessment evidence (a): for this band both diary evidence and participation need to be of a high standard showing individuality and originality.

Learners will have been involved in launch issues, such as choosing a name, objectives, subject of the enterprise, structures etc, and will have played a leading part in all of the discussions with sound, often innovative, input. Sustained contribution to the running of the business is necessary, and in this mark band, there will have been enthusiastic participation, showing conscientious performance of the role given, being involved in taking all decisions and a high degree of the responsibility in the business. Assessment will be objective, using relevant examples and containing justified conclusions.

Assessment evidence (b):, for marks in this band, the learner will provide a comprehensive and detailed report of other roles and responsibilities together with assessment of their contribution to the overall enterprise. The report will include a comprehensive explanation of all the roles, and a detailed consideration of the responsibilities included, together with relevant examples of real tasks undertaken, the skills needed for the roles, and the interaction with the other team members and their roles within the company. The assessment will be a comprehensive and objective statement, backed up totally with actual evidence. There will be a sound assessment of the contribution made to the company venture, totally justified and substantiated.

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.

As*sessment evidence* (c): there must be clear evidence of individual contribution to the final group report, and interim reports and presentations (where made). For marks in this band it will be evident that contribution was substantial in relation to other team members, and was sustained throughout the project.

Assessment evidence (d): for this band the report will be detailed and comprehensive, statements made about the success of the enterprise will be substantiated. There will be depth to the consideration of issues such as team working, communication, financial management, marketing, sales/production, and their interrelationship. All important areas will have been considered and appropriate conclusions and recommendations made.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Launching a company and enterprise	Although this unit is active and participatory on the part of the learners, it is necessary that the tutor oversees very carefully the initial *What you need to learn* of the unit. Care must be taken in organising the groupings. Also, a very clear brief is necessary, together with clear deadlines for interim stages of the work. Dedicated advice and briefings should be available throughout these initial stages at regular intervals, particularly once the subject of the enterprise is being decided.
Company officers, roles and responsibilities	Outside speakers, and advisers will be a necessary element throughout the unit, they can bring a wealth of information, reassurance and expertise to the project. Team working and the importance and interrelationship of all roles need to be stressed, as some members may be disappointed or dissatisfied with their roles.
Monitoring the performance of a company	Regular reviews, deadlines and targets are necessary here to ensure that the groups are on track, and that all members of each team are participating and not procrastinating with their responsibilities. Deadlines and targets focus the mind. Financial performance in particular needs careful control.

| Winding up your company | All formalities need to be completed, often matters are overlooked as the distribution of assets is often the focus. Deadlines and targets are still important here to draw the project to an end in a professional manner, learners often wrongly see this area as of minor importance. |

Links

| Other units | This unit builds on the learning developed in *Unit 2: Investigating Business*. |
| Industry | There is ample scope for developing links with local and national businesses. Where the centre has been sponsored by an organisation(s), this unit may help to develop work-related opportunities. |

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Bridge S — *Understanding Enterprise, Entrepreneurship and Small Business, Third Edition* (Macmillan, 2008) ISBN 0230552706

Burch G — *Go it Alone* (Capstone, 2003) ISBN 1841124702

Butler D — *Business Planning; A Guide to Business Start-Up* (Butterworth-Heinemann, 2000) ISBN 075064706X

Clayton P — *Forming a Limited Company, Tenth Edition* (Kogan Page, 2008) ISBN 0749453044

Clayton P — *Law for the Small Business, Twelfth Revised Edition* (Kogan Page, 2007) ISBN 0749449551

Davies C et al — *Applied Business: Resource Pack: AS for Edexcel* (Collins Educational, 2005) ISBN 0007200498

Denby N et al — *Applied Business AS for Edexcel Double Award* (Hodder Arnold, 2005) ISBN 0340907223

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Single Award)* (Causeway Press 2005) ISBN 1405821140

Evans-Pritchard J et al — *AS Level Applied Business for Edexcel (Double Award)* (Causeway Press 2005) ISBN 1405821159

Fardon M et al — *AS Applied Business for Edexcel Double Award* (Osborne Books, 2005) ISBN 1872962394

Impey D — *Running a Limited Company, Sixth Revised Edition* (Jordans, 2008) ISBN 1846610877

Macmillan D — *Be Your Own Boss* (Kogan Page, 2002) ISBN 0749438843

Stone P — *The Ultimate Business Plan* (How To Books, 2002) ISBN 1857038177

Surridge M et al — *Applied Business: Student's Book: AS for Edexcel* (Collins Educational, 2005) ISBN 0007197381

Trout J — *Differentiate or Die, Second Edition* (Wiley, 2008) ISBN 0470223391

Wiersema F — *Customer Intimacy* (Profile Business, 1998) ISBN 1861976305

Websites	www.fsb.org.uk	Federation of Small Businesses.
	www.garthyfog.co.uk	Garthyfog Farm Log Cabin, Camping and Caravan Site — example of small enterprise.
	www.purpleflame.com	Purple Flame — production company specialising in broadcast and media services.

Other resources

Newsletters from the National Federation of Small Businesses and local chambers of commerce, available from:

Federation of Small Businesses
Sir Frank Whittle Way
Blackpool Business Park
Blackpool
Lancashire FY4 2FE

Telephone: 01253 336000
Fax: 01253 348046
Website: www.fsb.org.uk

British Chambers of Commerce
65 Petty France
London SW1H 9EU

Telephone: 020 7654 5800
Fax: 020 7654 5819
Email: info@britishchambers.org.uk
Website: www.chamberonline.co.uk

Unit 8: Business Development

Externally assessed

Introduction

A business does not exist in a vacuum. Competitive businesses need to respond to a variety of pressures, both internal and external, as well as needing to innovate. This unit will look at how a small business can be established in response to the need for change, including the reasons for, processes and the likely outcomes of the decisions taken.

This unit is the synoptic unit in the qualification. It is designed to link concepts, skills, knowledge and understanding across the entire qualification and therefore it would be better completed towards the end of the course.

Recommended prior learning

This unit has clear links to AS *Unit 1: Investigating People at Work*, *Unit 2: Investigating Business* and *Unit 3: Investigating Marketing*. It also has links to the optional *Unit 7: Investigating Enterprise*, although the completion of this unit is not a requirement. There will also be aspects of the other AS units that may feature within this unit, eg e-business, advertising, promotion and customer service.

External assessment

The external assessment for this unit will be in the form of a scenario for which the work will be individually produced by learners in controlled circumstances (maximum of 15 hours).

The work will be marked by centre assessors according to the assessment criteria, whose decisions will be subject to moderation by Edexcel's external moderators. All moderation will be carried out by sending a sample of the learners' work as indicated on documents sent to the centre in the year of assessment. This will take place at the same time as moderation of the portfolio units, in the summer moderation series.

The assignment will be available on our website (www.edexcel.com) in June one year in advanced of the examination.

The number of raw marks available is 90.

The assessment will be available in the June examination series.

What you need to learn

8.1	**The business idea**	What gives rise to a business idea? You need to look at the role of small and medium-sized businesses (SMEs) in the market. The nature of the 'enterprise culture'; how easy or difficult is it to start a business? When creating your business plan, you will need to consider the establishment of a new small business by looking at the following:

- a range of possible ideas

- your legal status

- likely competitors for the product or service

- promotional strategies.

To achieve the above you will need to conduct both primary and secondary research on a realistic basis, carry out a customer and competitor analysis and consider the marketing mix for your final chosen idea.

8.2	**Resource and quality issues**	From 8.1 above you will have established the business idea and its likely potential through research. Now you need to consider the scale of the operation by looking critically at:

- the quantity to be produced or level of service offered and the production 'process', including timing

- the physical resources required

- the human resources required

- how 'quality' can be assured and controlled.

To do this you will need to consider how the necessary resources may be combined efficiently to achieve the desired outcome. You will also need to consider any relevant legal, economic, technical and environmental constraints.

8.3	**Financial resources**	Finance underpins the ability of any business to develop. You will need to consider:

- sources of finance

- start-up budget and working capital requirements

- forecasts for cash flow and break-even

- projected profit and loss accounts

- start-up balance sheets.

The emphasis here will be on the realism of the suggested finances, bearing in mind that the intention is to develop and sustain the idea over a period of time. There must, therefore, be a consideration of how the business might look in, say, three years' time.

<table>
<tr><td>8.4</td><td>Feasibility and evaluation</td><td>Too many business ideas fail owing to inadequate planning, lack of foresight and poor cash flow management, not just because they were bad ideas in the first place! There is a need to look at how things could change if plans are not successful or if other factors change. You will need to consider:</td></tr>
</table>

- evaluation of the business position at the end of a year

- 'what if' scenarios based on the information already gathered

- a projected position for three years' time based on the scenarios chosen

- alternative ideas.

Dynamic considerations, ie over time, are probably the most difficult to allow for when developments are planned, but it is important to realise that without these considerations there can be too much 'inward thinking' and the bigger picture can be overlooked.

Assessment evidence

This unit is assessed by means of an externally set assignment. The assessment will cover the four assessment objectives as follows:

AO1   Knowledge, skills and understanding

AO2   Application of knowledge, skills and understanding

AO3   Research and analysis

AO4   Evaluation

Learners will also be expected to demonstrate knowledge and understanding derived from the completion of the core AS units.

Learners will be required to individually produce work for assessment, based on a given scenario, as follows:

- **a** fully developed business plan for the establishment of a new small business operating as a sole trader or partnership. The plan will cover aims and objectives, a marketing plan, resource issues, financial analysis and planning

- the plan will be presented as a viable business idea, suitable to support **a request for finance for the venture.**

The assessment will take place following the delivery and assessment of other, related units. It will normally occur during the second year of a two-year programme of study.

The mark you receive for this assessment will be your mark for the unit.

The external assessment will be in the form of a scenario for which the above work will be individually produced by learners in controlled circumstances (maximum of 15 hours). The work will be marked by centre assessors according to the assessment criteria, whose decisions will be subject to moderation by Edexcel's external moderators. All moderation will be carried out by sending a sample of the learners' work as indicated on documents sent to the centre in the year of assessment. This will take place at the same time as moderation of the portfolio units, in the summer moderation series.

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a)* **AO1, AO2, AO3, AO4** **QWC (i-iii)**	Potential business idea selected, giving basic reasons for choice and viability and outlining marketing/promotional strategies and identifying competitor information. The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. (0-14)	Sound information on business idea supported by evidence of viability and detailed strategies with some justification of proposal. Sound information on competitors. 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. (15-22)	Comprehensive and original ideas with fully supported and justified evidence and proposals. Comprehensive and original information on competitors. 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. (23-28)	28
(b) **AO1, AO2, AO3**	Resource requirements and quality issues dealt with at basic level. (0-7)	Resources and quality issues soundly presented, with relevant examples and good application. (8-11)	Resources and quality issues comprehensively presented with fully supported detailed evidence. (12-14)	14

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) – (i-iii).

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(c) **AO1, AO2, AO3, AO4**	A finance plan providing the basic information required for sources, budgets, cashflow, break-even and accounts. **(0-13)**	Detailed finance plan covering all required aspects showing independence of thought and clear understanding. **(14-20)**	Comprehensive, professionally presented finance plan with accurate application and analysis of forecasts showing originality, independence of thought and clear understanding. **(21-27)**	**27**
(d) **AO1, AO2, AO3, AO4**	A simple evaluation of the business position at year-end and projected for three years hence. **(0-10)**	Sound analysis and evaluation of present and projected position showing independence of thought. **(11-16)**	Comprehensive analysis and evaluation of present and projected position with detailed and original recommendations and justified conclusions. **(17-21)**	**21**
			Total marks	**90**

(For description of AOs see *Appendix D: Performance descriptions.*)

Delivering this unit

In this unit, the learner will be required to show knowledge of business aims and objectives, and of the issues concerning the development of marketing, production, human resources and financial planning.

The business idea

The initial idea may be generated in a variety of ways such as those arising in previously studied units, from the learner's own research, work experience, own knowledge or personal contacts. The involvement of the tutor is vital in the selection process, to eliminate obviously unworkable choices and advise on the potential of the suggested project. It may be useful to include a couple of alternatives should the initial idea prove too difficult to progress after exploratory research.

From these ideas, it will be useful to consider the legal status of the new business, as this will have implications for other aspects of the development and may well inform the aims and objectives chosen.

Secondary data could prove more useful during this stage in order to allow the design of a more relevant basis for the investigation of primary sources of information.

Once the primary and secondary data has been collected, the marketing mix can be addressed and the marketing strategy considered. This should allow a realistic consideration of actual and potential customers and competitors to be carried out. Learners will require guidance on the sources of secondary data and on the suitability of the methods and techniques of primary data collection. Guidance will also be needed to determine how appropriately the aspects of the marketing mix may be addressed. Learners will need encouragement to reach conclusions and make recommendations from the information produced by the research. The use of IT may assist in the production of simple charts and graphs to enhance the presentation of findings and ideas.

Resource and quality issues

This should include quantities to be produced or levels of service to be offered and needs to relate to some of the findings from 8.1. The emphasis should be on realistic assessment of practical considerations such as timescales, and the physical and human resource requirements in terms of people and facilities needed to generate the desired development.

Location may also be a factor and this could be used as a means of investigating some of the other considerations of a legal, environmental or technological nature that could impact on the proposal.

The issues of quality assurance and control will need to be introduced in context and any relevant standards included. These may include basic legal requirements but could be broadened to cover industry and other quality standards and processes.

Financial resources

Learners will need to understand the use of financial information to assess and evaluate the likely success (or otherwise) of their idea. Guidance will be needed to locate possible sources of finance for the proposed development and a realistic budget, projected cash flow forecast and break-even analysis will also be necessary. The costing already carried out in 8.2 should provide a basis for forecasting these. Information gathered from the market analysis, together with some logical reasoning, will give rise to probable trading and profit and loss accounts and a balance sheet. It may be useful to suggest a proforma-style spreadsheet approach (using appropriate formulae) to the cash flow that will allow for some changes to be incorporated to the figures produced and enhance any evaluation carried out as below.

Feasibility and evaluation	Although the initial ideas might have appeared immediately profitable, it would be more realistic for any such venture to actually make a loss in the first year of trading. Success within this unit does not depend on the proposed development making a profit and, in fact, it would probably be far more instructive if it did not! However, learners will need to evaluate their proposals and may use a variety of techniques to do this. One method would be to consider the position of, eg a bank manager, faced with a request for a loan to assist the development and to consider the questions that would arise. Other techniques could include a consideration of appropriate financial ratios, Return on Capital Employed (ROCE), or the profit margins derived from an analysis of the financial position of the business after the first year of operation. Another form of evaluation would be to carry out a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis.
	It will be necessary to encourage learners to consider the longer-term prospects for the development with a wider view of potential 'what if' scenarios that can incorporate some more imaginative thinking. They can also provide scope for links back to 8.1–8.3, eg in respect of achieving aims and objectives, altering the marketing strategy, acquiring more financial resources and so on. Wider thinking could also be encouraged through the inclusion of other changes that might be likely, such as increased quality standards or legal or environmental requirements coming into force. If possible, learners need to make logical projections over a 3–5 year period, in addition to an evaluation of the development over its first year of trading.
	Throughout the unit, learners need to emphasise the links between the various components in order to ensure that there is a degree of continuity and cohesiveness to their work. This should become apparent in this section.

Links

Other units	Learners will be able to apply knowledge and understanding from other A2 units, particularly *Unit 10 Marketing Decisions* and *Unit 11: Impact of Finance on Business Decisions*. However, there will be aspects of all other A2 Units that may be applied to this unit.
Industry	Work experience may provide a valuable insight to business planning and development. First-hand experience, eg from a family business could prove equally useful.
	A visit to a local chamber of commerce, high street bank, local authority small business advisor or a visit from a representative of one or more of these could prove useful. Equally valuable, would be any links the centre may have with local representatives from industry via the Education Business Partnership or other body involved in enterprise.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press, 2006) Single and Double Award ISBN 1405821167

Keenan, D and Riches S — *Business Law, Eighth Edition* (Longman, 2007) ISBN 1405846976

Websites

www.bized.co.uk	Site provides interactive and online models and simulations for teachers and learners, and provides a valuable direct access to company reports in the UK and around the world.
www.hmrc.gov.uk	HM Revenue and Customs.
www.lsneducation.org.uk	The Learning and Skills Network (LSN) produces the Vocational Learning Support Programme, a resource that provides materials, publications and information for supporting the delivery of high quality vocational learning, including vocational GCSEs, A-levels and other work-related learning, with help for practitioners and learners at both 14-16 and 16-19.
www.opsi.gov.uk	The Office of Public Sector Information manages and regulates the use and the licensing of the re-use of all information produced by government which is protected by Crown Copyright.
www.sfedi.co.uk	Small Firms Enterprise and Development Initiative.
www.thetimes100.co.uk	*The Times* site — a free educational resource for teachers and learners, providing 100 case studies of companies and business issues.

Unit 9: Managing and Developing People

Internally assessed

Introduction

This unit looks at the management, training, development and motivation of individuals within organisations. A well-managed, trained and motivated work force is more likely to be effective and ensure the long-term success of a business.

The knowledge you gain of the issues behind what motivates, or demotivates individuals and the impact of effective staff development will enhance your progression in the workplace, whether managing people or being managed by others.

Recommended prior learning

Unit 1: Investigating People at Work, Unit 2: Investigating Business and *Unit 8: Business Development*

What you need to learn

9.1 Motivation

You need to learn the issues that motivate and demotivate individuals in the workplace. You need to understand that this will depend on the needs of the individual and organisation and that this can lead to conflict.

You should know that:

- management develops strategies to motivate employees and those strategies must take account of organisational needs and the aims and objectives of the business based on the work of relevant theorists including Maslow, Herzberg, McGregor

- incentives are used in organisations to improve performance; these include:

  - money

  - praise

  - responsibility

  - career opportunities

  - social factors

- management develops strategies to deal with potential conflict between the needs of the individual and the needs of the organisation.

9.2 Teams

Many individuals work better in groups or teams and this can lead to improved motivation.

You should know that:

- teams are formed for a particular function, task or project and may be short term or long term

- team working has benefits and limitations for individuals and the organisation

- the structure, size and leadership of a team can have significant impact on its effectiveness

- there are other factors which affect the performance of a team such as

  - communication

  - skills and qualities of individuals within the team

  - group dynamics

- theories relating to teams, roles and leaders such as Belbin, McGregor, Blake and Mouton and Adair.

9.3 Managing people

Organisations use human resources along with other resources to achieve aims and objectives. Differing factors within and between organisations lead to different management styles and techniques being adopted. An inappropriate management style can lead to demotivation in the workplace.

You should know that:

- different managers will adopt differing styles of leadership such as

  - autocratic

  - democratic

  - laissez faire

  - proactive

  - reactive

- the management style can affect the motivation of individuals in the workplace

- management of people must take account of health and safety factors

- meetings in organisations are used for consultation, dissemination of information, investigation, decision making

- the style of management and control of a meeting will vary according to the purpose of the meeting.

9.4 Developing people

The human resource function in an organisation ensures that personnel are used and developed in the most productive way. Training and development methods will vary according to the skills being developed and existing levels of expertise.

You should know that:

- organisations need to identify and meet individual development needs in accordance with organisational objectives

- there may be constraints that affect methods of planning and delivery of training including:
  - financial
  - availability of resources
  - existing skills and attitude of staff being trained
  - equal opportunities legislation and policy

- effective organisations will evaluate and review training

- training opportunities and provision can have an impact on motivation and staff turnover.

9.5 Personal development plan

A personal development plan forms the basis of training and career development of an individual within an organisation.

You should know that:

- there is a range of tools available for identifying individual development needs, including
  - job analysis
  - observation
  - self-observation
  - peer assessment
  - appraisal
  - performance review

- a personal development plan can improve the motivation of an individual

- a personal development plan can provide a focus for employer/employee interaction when drawing up plans for staff development

- conflict may arise between the personal development needs of an individual and the needs of the organisation

- organisations may not always take account of personal development plans when determining staff development opportunities. This can have an adverse impact on motivation.

| 9.6 | Skills audit | A skills audit is carried out in order to measure and record the skills of an individual or a group. |

You should know that:

- a skills audit can help identify the skills that each employee has
- there are a range of tools for carrying out a skills audit including
  - observation
  - peer assessment
  - appraisals
  - self-assessment.

Assessment evidence

Your work will consist of:

(a) a report on the factors that affect motivation in an organisation in which you have worked or are familiar with. It should include reference to theories and techniques used by the organisation, and an evaluation of their effectiveness and suggestions for alternative strategies, together with identification of areas of conflict between the individual and the organisation and suggestions to resolve them.

(b)* a report or presentation analysing and evaluating a group activity in which you have taken part, planning an event or developing and implementing a new system or procedure. It should include the benefits and limitations of team working, consideration of team structure, leadership style and a report of one team meeting. Reference to theorists is expected.

(c) a report or interview with an individual about a recent training programme, to include expected outcomes, process of identifying needs, training methods used, costs and benefits, constraints, and appropriateness and an evaluation.

(d) a personal development plan for yourself including a personal skills audit together with short- and long-term targets in your career and/or educational development and how you intend to achieve them.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1, AO2, AO3, AO4**	A basic description of the motivational strategies of an organisation, links are made to a recognised theorist. Strengths and weaknesses of the techniques used by the organisation are identified, appropriate sources acknowledged and an outline alternative approach suggested. Areas of conflict are mentioned in outline. **(0-7)**	A good explanation of an organisation's motivational strategies and clear links and references are made to a recognised theorist. Sources of data are acknowledged. There is clear evaluation of the techniques used by the organisation, together with a suggestion, with supporting reasoning, of an alternative or additional motivational technique, with examples of how different leadership styles are appropriate for different circumstances. Understanding and examples of potential/actual conflict between individual and organisational needs are clear, and workable suggestions are proposed for resolution. **(8-11)**	A thorough, organised and detailed explanation of an organisation's motivational strategies, clear links and references are made to a recognised theorist. There is clear evaluation of the techniques used by the organisation, showing evidence of original thought. The suggestion, with supporting reasoning, of an alternative or additional motivational technique is supported with original examples and justified, acknowledging that different leadership styles are appropriate for different circumstances. Relevant examples of how the conflict between individual and organisational needs may be resolved or avoided are given and justified. **(12-15)**	**15**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(b) **AO1, AO2, AO3, AO4** **QWC (i-iii)**	A basic description, analysis and evaluation of the benefits and limitations of team working and of management styles, together with an outline of the structure or operation of the team activity, with reference to the work of a recognised team or motivational theorist. A basic description of the reason for holding a meeting for the team activity, together with the advantages and disadvantages for holding it. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-7)**	An explanation, with relevant examples, which refers to the work of a recognised team or motivational theorist, and shows understanding that individual roles within a team have significant impact on the outcome of the team activity. An explanation, with reasoning, of the leadership style used in the team, together with a recommendation for an alternative leadership approach and an evaluation of its effectiveness. The meeting report will analyse its effectiveness. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(8-11)**	A thorough and detailed explanation, using references to at least one theorist, which demonstrates that individuals may have objectives and needs different from those of the team as a whole. There is individual assessment of the appropriateness of the leadership style used in the team activity and innovative suggestions for alternative methods of achieving the planned outcome of the meeting, which considers advantages and disadvantages, and reaches a justified conclusion. 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. **(12-15)**	**15**

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	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(c) AO1, AO2, AO3, AO4	A description of training methods and reasons for training, the costs and benefits to the organisation of training the researched individual, and an identification of the strengths and weaknesses of the training programme. (0-7)	An explanation, which shows clear understanding with examples, of motivational aspects of effective training, and the different perceptions of individuals and the organisation of the benefits and constraints of training the researched individual. Evidence of supporting statistical or empirical data should be included. A comparison of the strengths and weaknesses of the training programme taking account of the constraints on the organisation. (8-11)	A thorough and detailed explanation of methods by which training needs are identified, an understanding of the potential impact on motivation of ineffective training provision and/or methods for the individual concerned. An analysis of the effectiveness of training both for the individual and the organisation taking account of the constraints on the organisation, and an evaluation, showing independent thought, with judgement or alternative recommendation, of the effectiveness and appropriateness of the training programme. (12-15)	15
(d) AO1, AO2, AO3, AO4	A basic description of the reasons for carrying out skills audits together with an audit relevant to the individual learner. Evidence of research into common formats for skills audit collection. Evidence of research into potential further/higher education and career routes for the individual learner. (0-7)	Clear use of relevant, realistic, appropriate and up-to-date data for learner's personal planning supported by evidence of research and evaluation. Evidence of good research into common formats for skills audit collection. Evidence of good research into potential further/higher education and career routes for the individual learner. (8-11)	Realistic short and long-term targets identified and explained in detail. Alternative options researched thoroughly, identified, and decisions justified. Evidence of sound and appropriate research into common formats for skills audit collection. Evidence of sound and appropriate research into potential further/higher education and career routes for the individual learner. (12-15)	15
			Total marks	60

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a) requires the learner to explain the factors that affect motivation in the workplace. For this band the learner should use at least one motivational theorist to illustrate that explanation. For higher marks the learner will identify factors which affect motivation within the researched organisation, in particular linking those to motivation theory and identifying strengths and weaknesses of those factors which are part of a planned motivational policy. The 'factors' are likely to number about three or four. The learner must show that an appropriate source within the organisation was used for collecting this evidence.

Assessment evidence (b) requires the learner to give a basic description, analysis and evaluation of the benefits and limitations of working as a team and of different styles of management open to those managing and organising a team and link them to the characteristics of their own team. At the lower end of the band there may be few links made to only basic evaluation with, perhaps, two separate lists of benefits and limitations. Higher marks would need stronger links, better evaluation or stronger coverage of conflict. The report and the analysis of the meeting may be simplistic, but will include the main points — minutes of the meeting are not sufficient.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (c) requires the learner to identify reasons for the specific training programme for the researched individual, including a description of the process by which their needs were identified. A typical report may include details of, for example, appraisal, skills audit or needs analysis. The learner must identify the costs and benefits to the organisation of the training programme as well as identifying its strengths and weaknesses.

Lower marks will be given where some areas are omitted, higher marks will be gained where there is more consistent coverage and description.

Assessment evidence (d) requires the learner to:

(i)   show understanding of the advantage to an organisation of carrying out skills audits and encouraging staff to complete a personal development plan

(ii)   complete an individual skills audit. It is not a requirement for learners to develop their own skills audit form — this may be developed as a group activity or a standard audit form may be used — although learner involvement in development would enhance understanding of the process

(iii) draw up a personal development plan.

Lower marks will be awarded where there is an omission or inadequate coverage of the three areas. Higher marks will be awarded where all three areas are dealt with, albeit at a basic level, eg little supporting evidence, unrealistic planning.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a) requires the learner to identify and explain reasons for high or low levels of motivation within the researched organisation, with particular reference to the conflict between individual and organisational needs. Examples of conflict may include features such as financial constraints versus desire for higher pay, lack of appraisal or review versus the need for recognition of achievement. The examples must be specific to the organisation and must be supported by statistical and/or empirical evidence. Alternatives should be suggested for enhancing motivation. The learner is expected to acknowledge the use of the source within the organisation for obtaining the data.

Assessment evidence (b) requires the learner to link the structure/characteristics/membership and operation of their team to the work of a recognised theorist. For example, a link to Belbin would require the learner to analyse the skills of each member of the team against the roles identified by Belbin. For high marks, the link to the theorist would be extended to analyse the outcome or success of the team. The learner needs to show understanding that different leadership styles are appropriate in different circumstances and suggest alternative styles where appropriate. The report of the meeting is leading, for mark band 2, to a critical analysis of the need to hold the meeting against alternative methods of achieving the outcome — minutes of the meeting are not sufficient for the awarding of marks — they are only likely to be relevant for use as evidence for cross-reference purposes.

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.

Assessment evidence (c) requires the learner to identify the costs and benefits to the organisation(s), both financial and motivational, of providing this training. The examples must be specific to the organisation(s) and must be supported by statistical and/or empirical evidence. For example, a statement that improved training may reduce staff turnover must be supported by evidence that staff turnover is currently a problem. The learner should be starting to show understanding that the organisation may have a different perception of the benefits of training from that of the individuals being trained and to make comparison of strengths and weaknesses of the training programme for the individual under study.

Assessment evidence (d) requires a realistic plan for the individual showing understanding of the constraints to progression in the workplace and the need for appropriate qualifications and experience. If an entrepreneurial career is planned, an explanation of the constraints on (for example financial) or problems (for example establishing a market) of that type of activity, and the likely process of growth for the selected activity must be included.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

Assessment evidence (a) requires the learner to assess the effectiveness of the motivational technique(s) of the organisation and/or the impact of ineffective or non-existent motivational techniques. For higher marks, the learner must offer suggestions for an alternative strategy and assess its likely outcome, to include both detrimental and beneficial outcomes. The learner must show understanding of the importance of effective and efficient research techniques.

Assessment evidence (b) requires the learner to recognise, with examples from their own team experience, that objectives of individuals within a team may differ from the objectives of the team as a whole. For example, the learner may identify that a particular team member wished to build the project website as an opportunity for personal development, but the team felt they had the most effective people management skills for organising volunteers. The learner must identify, with reasoning, the leadership style used within the team and evaluate its appropriateness. For high marks, a comparison should be included of the likely outcome had alternative management styles been adopted. Learners should include an evaluation of the need to hold the meeting against alternative methods of achieving the outcome.

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.

Assessment evidence (c) requires the learner to evaluate the appropriateness of the training for the organisation, and the training method in relation to the researched individuals, and make a judgement on the effectiveness/ineffectiveness in the form of a comparison taking account of the constraints on the organisation. For high marks, the learner must show understanding of short-term and long-term impact.

Assessment evidence (d) requires the learner to show understanding of the uncertainty and risks involved in setting a rigid career/development plan and an understanding of the alternative routes/sources of advice that may be open to them.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Motivation

Motivation is an integral part of managing and developing people. Learners must have a good understanding of the differing theories, techniques, factors and strategies that motivate workers and the impact this will have on productivity. They need to have an understanding of the reasons why people work and the fact that money is not always a successful motivator. They also need to have a clear understanding that organisations need to motivate workers in order to meet organisational objectives and that this may bring about conflict. For example, a workforce working to tight deadlines cannot afford the time needed for an appraisal, or the fact that very often a motivational strategy, such as bonuses or works outings cost money and the organisation may be aiming to reduce costs.

Team membership	Team performance and target setting is a significant feature of modern working life. The concepts of matrix structures, cell production, task culture, project groups and quality circles are becoming increasingly familiar in the workplace. Learners, for their own personal development, need to have a good understanding of the dynamics of team performance and to appreciate that individual contribution can have significant impact on team success. They also have to have a good understanding of the benefits and limitations of team working and the link to individual motivation, as well as the appropriateness of setting up teams in differing circumstances.
Styles of management	It is important that learners understand the management styles adopted in organisations and that different styles are appropriate for different circumstances and differing personnel characteristics. For example, a *laissez-faire* management style may be appropriate in an environment where creativity is essential, eg advertising or design, but it is likely it would be inappropriate on a factory floor with health and safety issues, or in a supermarket where good customer service is a high priority. Learners must also understand the significant impact that styles of management can have on motivation.
Developing people	Learners need to understand the role that training plays in the production process and how it can fulfil the organisation's objectives. They need to be aware of how training needs are determined, and the constraints under which organisations work in providing effective training including, in particular, the costs of training and the commitment of staff to that training. Learners also need to have a good understanding of the link between the provision of training (or lack of provision) and motivation, and the reasons why this may increase or decrease motivation. Learners must also have an understanding of the need to evaluate training and the costs and benefits of training to the organisation and its individuals.
Personal development	The working environment is very competitive, and this, combined with constant changes in the technological, social, economic and cultural environment, means few people can be certain of a 'job for life'. Furthermore, demographic forecasts suggest that planning for self-funding in retirement will become a priority. All of these factors point to young people entering the workforce or higher education with a clear vision of their proposed career path. Learners also need to have an understanding of the personal development plan in the business context and that conflict may arise, which in turn could affect motivation. For example, an individual may be aiming for promotion, enhanced skills or improved pay but they may not be realistic options that can be provided by the organisation. Learners need to be aware of the standard procedures within an organisation for collecting data, such as skills audits, for production of personal development plans.

Links

Other units   This unit builds on the ideas developed in *Unit 1: Investigating People at Work*, *Unit 2: Investigating Business* and *Unit 8: Business Development*.

Centres may find the suggested team activity can be successfully combined with the optional *Unit 7: Investigating Enterprise* and/or *Unit 13: Organising an Event*.

Industry   Links with industry include:

- learners drawing on their own work experience or wherever possible

- visits to or interviews with personnel from a large business

- learners using their own school or college as an employer as a basis for research.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks   Adair J — *The Effective Supervisor, New Edition* (Jaico, 2005)
ISBN 8172241038

Bartol K and Martin D — *Management* (McGraw Hill, 1998)
ISBN 0073986542

Boydell T and Leary M — *Identifying Training Needs* (Chartered Institute of Personnel and Development, 1996) ISBN 0852926308

Bee F — *Training Needs Analysis and Evaluation* (Chartered Institute of Personnel and Development, 1994) ISBN 0852925476

Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press 2006) Single and Double Award ISBN 1405821167

Forsyth P — *Before Your Job Appraisal* (Kogan Page, 1999)
ISBN 0749429852

Gillespie A — *Business in Action* (Hodder & Stoughton, 2002)
ISBN 0340848200

Graham H and Bennett R — *Human Resource Management, Ninth Edition* (Prentice Hall, 1998) ISBN 0273634011

Huczynski A and Buchanan D — *Organisational Behaviour, Sixth Edition* (Prentice Hall, 2006) ISBN 1405840978

Kay F — *Making Management Simple* (How To Books, 2005)
ISBN 1845280148

Mayo A — *Creating a Training & Development Strategy, Second Edition* (Chartered Institute of Personnel and Development, 2004) ISBN 1843980568

Nicholson T — *52 Ways to Motivate your Staff, New Edition* (Roli Books, 2005) ISBN 8174362363

Websites

Major companies and other businesses operate their own websites. They provide useful information on issues such as mission statements and employment policies.

www.berr.gov.uk	The Department for Business and Enterprise Regulatory Reform site is a useful source of information on business support, consumer issues, employment relations, equal opportunities and enterprise.
www.bized.co.uk	Provides interactive and online models and simulations for teachers and learners, and provides valuable direct access to company reports in the UK and around the world.
www.equalityhumanrights.com	The Equality and Human Rights Commission site contains case studies and other material on areas such as employment practice, equal pay and discrimination.
www.ft.com	*The Financial Times* website will help keep learners up to date with business matters, and contains an excellent archive.
www.investorsinpeople.co.uk	The Investors in People site provides a library of case studies, and has statistics and recent research materials.
www.lsneducation.org.uk	The Learning and Skills Network (LSN) produces the Vocational Learning Support Programme, a resource that provides materials, publications and information for supporting the delivery of high quality vocational learning, including vocational GCSEs, A-levels and other work-related learning, with help for practitioners and learners at both 14-16 and 16-19.
www.thetimes100.co.uk	*The Times* site is a free educational resource for teachers and learners, providing 100 case studies of companies and business issues.

Unit 10: Marketing Decisions

Externally assessed

Introduction

Effective marketing campaigns do not just happen. They result from having a clear vision of the desired outcome, careful planning and thorough application of that plan.

This unit will provide you with the basis for effective decision making and planning in the marketing process. You will learn about the type of decisions that have to be made to bring a product to market. You will identify these decisions and how they contribute to the overall marketing plan.

Recommended prior learning

This unit has clear links with *Unit 3: Investigating Marketing* and should provide an overview of the most important elements of the marketing mix.

The unit also has links to the optional *Unit 6: Investigating Promotion* which provides a detailed understanding of the range and variety of promotional tools used to market a product or service. However, the completion of Unit 6 is not a requirement.

External assessment

This unit will be assessed through an examination set and marked by Edexcel.

There will be a 1 hour and 30 minute examination paper.

The number of raw marks available is 90.

The examination will be available in the January and June examination series.

The paper will be a question and answer booklet.

What you need to learn

10.1 Influences on marketing decisions

You need to understand the wide range of influences on an organisation, both internal and external, and the types of decisions that have to be made relating to these influences in order to keep the organisation moving forward in line with management plans. To achieve this, organisations have different marketing objectives, strategic or tactical, depending on how the objectives support the business plans.

Analysis of the organisation's current and future situation can be made using planning tools such as SWOT and PESTLE analyses to inform marketing decisions in terms of:

- whether a product should be developed or launched
- whether these decisions are strategic or tactical
- competitive advantage
- whether the timing is right
- whether the correct market has been identified.

You also need to learn the impact these may have on the marketing mix. To do this you need to investigate influences that impact on the planning process, such as:

- marketing environment, both macro and micro
- competition
- social, cultural, environmental, economic issues.

10.2 Marketing decisions and the planning process

You need to understand how to produce plans for the development of the marketing mix using tools such as:

- product life cycle
- Ansoff
- portfolio analysis tools, eg the Boston Consulting Group (BCG) Matrix.

You also need to know how a business uses these tools to decide on a marketing strategy for:

- product development, eg supplementary products, add ons
- pricing strategy, eg market penetration, skimming the market, price leadership, market-based competitive pricing
- promotional strategy, eg deciding what to say, deciding how to say it, unique selling points (USPs), above-the-line, below-the-line, use of new media, public relations, budget, timescales, media mix
- distribution channels, eg direct to end user, via a retailer, via a wholesaler
- target market, eg consumers, trade customers (b2b), retailers, wholesalers, large organisations, small organisations, new customers, existing customers.

| 10.3 | Research to inform marketing decisions | The type of research carried out will depend on: |

The type of research carried out will depend on:

- the element of the marketing mix being addressed
- the type of market.

You need to understand the process of marketing research and how it informs the decision-making process. This will include:

- size, shape and dynamics of market
- sampling, eg deciding on sampling frame, random sampling, quota sampling, stratified sampling, cluster sampling
- information-gathering systems, eg primary and secondary sources, desk and field research
- results analysis.

10.4 Investigating marketing campaigns

You need to research real campaigns and draw conclusions about the effectiveness of the underlying marketing decisions. This will include how effective the campaign was, based on the following criteria:

- measuring and monitoring
- identifying the target market
- analysing the marketing processes
- constraints identifying the target market
- analysing marketing processes and constraints.

Assessment evidence

This unit will be assessed through an external assessment.

The mark you achieve for this assessment will be your mark for the unit.

The external assessment will be in the form of a graded test. This test will consist of short-answer and extended-answer questions based on a case study or a real business. The content of the external assessment will relate directly to what you should have learned as a result of the activities you have carried out as part of your work for this unit.

You will need to be able to apply the knowledge, skills and understanding of the unit to the demands of the questions set. The ability to transfer knowledge, skills and understanding to different situations is an invaluable preparation for employment, training and further and higher education. External assessment is one example of where this transference is critical, eg coping with the controlled conditions of an external assessment, scenarios and responding to questions.

The external assessment will require evidence of:

(a) being able to demonstrate knowledge, skills and understanding of the subject content of this unit and relevant business skills

(b) being able to apply your knowledge, skills and understanding of the subject content of this unit and relevant business skills

(c) being able to use appropriate methods to carry out research and analysis relevant to the subject content of this unit

(d) some ability to evaluate and reach reasoned judgements on the suitability of planned campaigns or the results of campaigns carried out, based on the subject content of this unit.

Delivering this unit

Use of topical news items	There is a lot of business news coverage in the general media. This ranges from daily reports on the economy and the movement of the stock exchange, to specific news items concerning new products or business developments. Coverage of enquiries into the alleged wrongdoing of businesses is also treated as high-profile news. All of this can be used as real life examples to illustrate different aspects of this unit. In addition to examples, business news can be used to spark discussion based on the reasons and motivation behind events in the business world.
Use of case studies	Where specific, classic examples are required to illustrate a learning point from the unit, a case study may meet teaching needs better than waiting for an example to turn up in the news. This does not mean that the teaching of the unit should be based on case studies alone on the contrary — real-life examples will always be better from a learning and memory retention point of view.
Contact with real businesses	Experiencing something, or hearing about it first hand is even better than learning from case studies or business news items. This can be achieved by developing contacts with real business organisations. All sections of *What you need to learn* will benefit from input from real business organisations. It is unlikely that one organisation will be able to provide the range of examples covered by this unit, so it is advisable to develop as many business contacts as possible and call them in to support teaching and learning as and when appropriate. Real business contacts can be made directly with an organisation, through your local Education Business Partnership (EBP), through personal contacts, through learners' work experience and in many other ways.
Primary marketing research	The *What you need to learn* item 10.3 *Research to inform marketing decisions,* is based on understanding and using marketing research. It is suggested that learners will learn more about the research process and the interpretation and use of marketing research if they have experience of conducting their own primary research. The project need not be big or extensive, so long as the steps in the process are experienced within a business context.

Secondary marketing research	Much of the investigative work that will need to be carried out by learners for this and other AS/A2 Business units will rely on secondary research. Learners need to understand that secondary research is not a poor substitute for primary research, but has its own strengths and uses. In this context the use of secondary research is part of the *What you need to learn* item 10.3 *Research to inform marketing decisions*. Secondary research techniques will also be essential to meet the needs of 10.4 *Investigating marketing campaigns*. Like primary marketing research, it is suggested that learners will learn more about the research process and the interpretation and use of marketing research if they have experience of conducting their own secondary research. The project need not be big or extensive, so long as the steps in the process are experienced within a business context and that it meets the requirements of 10.4.
The marketing planning process	Learners should be given the opportunity to plan real marketing campaigns within the context of what they will have learned during their study of this unit. This can be done through simulation or by planning a real campaign for the school, college or other organisation with which you or the learners have established contact. The most important factor of this activity should be that it is based on a real brief, with associated aims and objectives, rather than a theoretical exercise.
Use of learner's own experience	Learners will have been exposed to a great deal of planning and marketing activity. They will each have an opinion or an interpretation of what they see, and how they have been affected by a marketing campaign. It is very useful to explore these opinions and interpretations and use the results to confirm their reading of a situation, or correct any misunderstanding. This process will help the learner's understanding of the whole unit.

Links

Other units	*Unit 3: Investigating Marketing* should provide an overview of the most important elements of the marketing mix.
	Unit 6: Investigating Promotion should provide a detailed understanding of the range and variety of communications that are used to market a product or service.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Adcock D, Halbourg C, and Ross C — *Marketing Principles and Practice* (FT Prentice-Hall, 2004) ISBN 1405807822

Davies C et al — *Applied Business A2 for EDEXCEL Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press 2006) Single and Double Award ISBN 1405821167

Hatton A — *Definitive Guide to Marketing Planning,* (FT/Prentice Hall 2003) ISBN 0582821959

Lancaster G, Massingham L and Ashford R — *Essentials of Marketing, Fourth Edition* (McGraw Hill, 2001) ISBN 0077098609

Lines D, Marcousé I and Martin B — *The Complete A-Z Business Studies Handbook, Fifth Revised Edition* (Hodder Arnold, 2006) ISBN 0340915161 (has a good marketing section)

McDonald M — *Marketing Plans; How to prepare them, how to use them, Sixth Revised Edition* (Butterworth Heinemann 2007) ISBN 0750683864

Websites

www.brandrepublic.com	Brand Republic — provides business and marketing news.
www.brandrepublic.com/revolution	*Revolution* website — provides business news.
www.business.com	Business search engine and directory.
www.cim.co.uk	The Chartered Institute of Marketing.
www.coruseducation.com	The Corus Educational Support programme.
www.direct.gov.uk	UK online government website.
www.ft.com	*The Financial Times* website.
www.lsneducation.org.uk	The Learning and Skills Network (LSN).
www.videoarts.com	Video Arts website.

Videos

Video Arts at www.videoarts.com — they have a range of videos that is particularly accessible to learners.

It may be worth investigating Sector Skills Councils (SSC) for videos about their particular industries.

Television news reports and programmes concerned with reporting on business can be found on the BBC as well as on commercial channels, terrestrial, cable and satellite.

Multimedia	*Hot Dog Stand Game*, Sunburst Technology, Windows or Mac OS versions.
	Learners run a stall at a football ground and try to maximise profits over an eight-game season. Learners must make real-life decisions as they work with unit cost, selling price, inventory, and sales predictions to try to reach their goals.
	***The UK Economy Explained* HSBC CD-Rom, September 2003**
	Every school in the UK has received a free copy *of The UK Economy Explained* — a CD-Rom developed by HSBC's economics experts in conjunction with teachers. It provides a wealth of material in one place and, for learners, a handy text that is accessible and easy to understand. The material uses examples and data to show the practical application of economic concepts in modern-day economics.
Other resources	*Journal of Marketing*
	Management Today
	Marketing
	Marketing Week

Unit 11: Impact of Finance on Business Decisions

Internally assessed

Introduction

This unit is about analysing, evaluating and using financial information. You will find out how businesses use financial information to make decisions. You will look at the financial constraints faced by businesses, and the impact that these constraints have. You will see how businesses monitor and control their operations in the face of such constraints, and how they may be overcome.

You will develop an understanding of business decisions and their implications.

Recommended prior learning

Unit 1: Investigating People at Work, Unit 2: Investigating Business and *Unit 3: Investigating Marketing.*

What you need to learn

11.1 Identifying financing needs and constraints

Key to the survival of any business is the way in which it is financed. Businesses need resources in order to operate, and must find the funds to pay for these resources. Different resources will require different funding methods, and different businesses will face different constraints. You will need to know:

- the need for and importance of long- and short-term finance, and the differences between the two

- the differences the legal structure of the business makes on the finance available, considering the advantages and disadvantages

- the ways in which different sources of finance may be obtained, and the information that will need to be given to providers of finance.

11.2 Managing working capital

A business may be profitable, but may still fail if it does not address its day-to-day financing needs. Working capital comprises the short-term assets and liabilities of a business, and must be carefully managed to ensure that the business makes best use of the opportunities available to it. You will need to understand aspects of working capital management, such as:

- the content of working capital, and the importance of assets, eg stock, debtors and cash and liabilities, eg overdrafts and creditors

- the operating cycle and its importance to the survival of a business, and the difference between cash flow and profits

- different approaches to the problem of working capital management, eg traditional approach (financing current assets with current liabilities) and modern approach (recognising the permanent nature of some current assets)

- the costs and risks associated with short-term finance

- the problems associated with the investment of surplus cash

- specific working capital management tools such as debtor management (granting and monitoring credit, collecting debts using discounts, factors and insurance), stock control (when and how much to order), taking advantage of credit periods or discounts, and cash surpluses or deficits, using cash budgets

- ratio analysis to monitor liquidity, debtor collection periods, creditor payment periods, stock turnover, current and quick ratios (calculation and interpretation).

11.3 Investing in equipment and projects

In the longer term, businesses will need to invest in the equipment needed to manufacture their products. Additionally, they may be presented with opportunities in the form of long-term projects. Both will require the investment of large sums of money, usually at the beginning of the project, with returns coming in over a number of years. Looking at one such investment, a business will need to decide whether or not it is worthwhile — do the eventual returns outweigh the initial cost? When faced with a number of possible investments but with limited cash to invest, a business will need to decide how to use that cash most effectively. In this part of Unit 11 you will need to consider aspects of investment appraisal such as:

- the implications of investment — effects of the cash flows in/out on the liquidity of the company, effects on profits, the risk and variability of returns

- different methods of appraising investments such as payback period, return on capital employed, discounted cash flow techniques and the strengths and weaknesses of different methods of investment appraisal

- capital rationing, inflation and tax — their effects on the investment decision.

- relevant costs — the distinction between costs which do affect the decision and those which do not

- financing the chosen investment — lease or buy decisions

- sensitivity analysis — if an estimate turns out to be wrong, does this mean the decision is wrong?

11.4	Investing in other companies	As well as investing in projects and equipment, a business may decide to invest surplus cash in another business. If this other business is a limited company, the investment may be in the form of shares, or it may be a loan. The investing business will need to consider the returns which are expected from that investment, and how risky or variable those returns are likely to be. In this part of the unit you will consider the following:

- the differences between equity (shares) and debt (loans) investment such as whether/when the investment is repayable, the type of return, such as interest or dividend, and how its amount is determined, the level of risk associated with each

- the considerations to be made when choosing a company to invest in, such as profitability (how the company is performing now and how it is likely to perform in the future), liquidity (how easily the company is able to meet its short-term debts as they fall due, and how well it generates cash) and financing (the structure of its long-term finance).

- use of ratio analysis to make these considerations, such as profitability ratios, liquidity ratios and gearing ratios; investor ratios such as dividend cover, interest cover, earnings per share and interpretation of the ratios, and analysis of trends

- the effect of different levels of investment

- how the investment may secure influence or control over the operations of the other business

- the implications if the investment is significant enough to be described as a subsidiary or an associated company.

Assessment evidence

Assessment evidence will typically consist of:

(a) a report analysing the financing needs of a chosen existing business to include sources of both short-term and long-term finance and an analysis of the finance used

(b) a report assessing the working capital management of a chosen business, based on a recent set of final accounts to include identification of the components of working capital, calculation of key ratios and interpretation of the calculated ratios to assess the adequacy of working capital management, and suggestions for improvement

(c)* a report evaluating the choice between investment in two proposed projects (based on a simulated scenario) to include discussion of the suitability of the investment appraisal methods used and analysis on estimated future cash flows

(d) a report evaluating a proposed investment in a chosen limited company to include the differences between debt and equity investment and the learner's consideration of the viability of the proposed investment based on calculated ratios.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1,** **AO2,** **AO3,** **AO4**	The report correctly identifies the type of business, and describes in basic terms the types of finance available to that type of business. A basic description is made of the types of finance actually being used. **(0-7)**	The report makes clear distinction between financing in the short and long term, both for available and chosen finance. **(8-11)**	A detailed understanding of financing needs is shown, eg the report discusses when short-term or long-term finance is appropriate, and the risks or problems associated with each. **(12-15)**	**15**
(b) **AO1,** **AO2,** **AO3,** **AO4**	Components of working capital are correctly identified, key ratios are calculated and basic comments made. **(0-7)**	Calculations and comments are based correctly on the business chosen, with understanding shown of the type of business, and the effect this has on key ratios and working capital composition/requirements. **(8-11)**	Ability to evaluate information given and ratios calculated, to form reasoned judgements. The report should draw sensible conclusions about the management of working capital, based upon ratios calculated and any background information about the business. Reasonable suggestions for improvement should be made, showing an understanding of the problems presented by the different components of working capital. **(12-15)**	**15**
(c) **AO1,** **AO2,** **AO3,** **AO4** **QWC** **(i-iii)**	The report shows a basic understanding of the different methods of investment appraisal, evidenced by accurate calculations. Some attempt made to discuss the suitability of each method, advantages/disadvantages of each are described. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-7)**	The suitability of the different investment appraisal methods are considered with more reference to the given scenario — conflicts and problems should be addressed. Basic understanding of sensitivity analysis is shown, by way of discussion which recognises the problem of appraisal based on estimates. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(8-11)**	Clear conclusions are drawn regarding the acceptance of the projects, and limitations of the investment appraisal methods used are discussed. Reasoned judgements are made concerning sensitivity analysis, supported by accurate and appropriate calculations. 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. **(12-15)**	**15**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1,** **AO2,** **AO3,** **AO4**	The key differences between equity and debt are described. Key ratios are calculated accurately, and some attempt is made to relate these calculations to the investment decision. **(0-7)**	The report shows understanding of the impact of the ratios on the possible investment, both in terms of return and eventual repayment. This includes consideration of trends, and identification of any causes for concern. **(8-11)**	The report analyses the calculations made with reference to risk and reward, and shows clear understanding of how these relate to the different types of investment. Reasoned conclusions should be drawn regarding the viability of the proposed investment. Limitations are highlighted, together with any requirements for further information. **(12-15)**	**15**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a) first requires the learner to identify whether the chosen business is a sole trader, a partnership, or a limited company, and to identify the types of finance available to that type of business. The types of finance actually in use should be described. Higher marks will be gained by learners who look at both the short- and long term, and recognise different sources rather than the obvious loans and overdrafts (eg owner provided, creditor provided, leasing).

Assessment evidence (b) first requires the learner to identify the components of working capital used by the chosen business. The main liquidity and working capital management ratios should be accurately calculated. Understanding should be evidenced by simple comments based on the ratios. To gain higher marks, the comments should show an understanding of what each ratio is intended to demonstrate.

Assessment evidence (c) requires the learner to describe different methods of investment appraisal (payback, ROCE, discounted cash flow), and to apply the methods to given data. Simple conclusions should be drawn about each project and method, and the advantages/disadvantages of each method will be described.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (d) requires a simple description of the differences between equity and debt. Key ratios relating to profitability, liquidity and gearing should be calculated, and high marks will be earned if each area is addressed. Some attempt to relate these ratios to the investment is expected.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a) requires a more detailed understanding of short-term and long-term needs. At the lower end of the band learners will acknowledge that certain types of available finance are regarded as short term or long term. At the higher end, the reliance of the company on short- and long-term sources will be clearly identified. For example, a learner will earn high marks by identifying that the company is surviving on little long-term finance (low share capital and reserves) by relying on short-term sources such as overdrafts.

Assessment evidence (b) requires learners to apply their knowledge of ratios to the chosen business. Some basic conclusions should be drawn regarding the adequacy of working capital management, and reference should be made to the type of business and the effect this has on working capital. For example, learners at the higher end of this band would recognise and acknowledge that if the chosen business is a chain of supermarkets, high levels of debtors would be unexpected.

Assessment evidence (c) requires the learner to apply their textbook-based knowledge of investment appraisal to the given data. The scenario should be such that different methods lead to different decisions, and learners in this band will address such conflicts and offer a simple explanation. The limitations of appraisal based on estimates will be noted, and learners will earn high marks for describing the idea of sensitivity analysis.

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.

Assessment evidence (d) requires a more detailed interpretation of ratios than in band 1. Learners will earn marks here by considering the return to be earned on the investment, and the possibility of eventual repayment. Higher marks will be gained by learners who recognise that trends are more important than ratios in isolation, and who identify any trends which are of concern.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

Assessment evidence (a) requires a higher knowledge of different sources of finance. Learners at this level will recognise the appropriateness of different sources to different needs. The appropriateness of chosen finance will be discussed, and the problems associated with over-reliance on short-term or long-term financing will be discussed. Reference will be made to the different costs and risks associated with each finance source.

Assessment evidence (b) requires a more detailed evaluation of the way in which working capital is managed. Learners will show a higher understanding of what the key ratios mean, and will use this to identify any areas of possible concern. For example, the stock turnover ratio may indicate that stock turnover has slowed since the previous year — a capable learner will make suggestions as to why this may have happened, and what problems it may cause. To earn the highest marks in this band, learners will make reasoned suggestions for improvements to working capital management, applicable to the chosen business and identified problems.

Assessment evidence (c) requires more detailed evaluation. Clear conclusions should be reached regarding the acceptability of each project, and differences between different methods should be reconciled. High marks will be earned by the learner who describes the ways in which different methods may be used in conjunction with each other — for example, payback period may be used as a first screening, followed by a more detailed Discounted Cash Flow (DCF) analysis. Calculations should be performed regarding the sensitivity of the decisions reached to changes in a particular estimate, and high marks will be earned for reasoned judgements.

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.

Assessment evidence (d) requires a reasoned evaluation of the investment decision, based on all available information. Learners should show that they understand the concepts of risk and reward, and the way in which they relate to investment decisions (ie higher risk investments will demand higher rewards). High marks will be earned for consideration of the ratios in view of these concepts, and for acknowledgement of any limitations to the analysis.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Identifying financing needs and constraints

This unit is designed to encourage learners to learn about how businesses make decisions when faced with financial constraints. Whilst certain calculations and techniques are important, more important is an understanding of the way in which they may be practically applied. The identification of different financing needs and constraints is a very practical area of business, and should be related as far as possible to real world situations.

A variety of approaches and strategies is appropriate, but the availability of published accounts will be useful throughout. These will help learners to see how the issue of financing is applied in the real world, and if a variety of businesses are considered, a variety of problems and solutions will be found.

This part of the unit considers the overall financing needs of the business. A starting point will be to consider different types of business, and their different needs/constraints. Having considered a variety of financing methods, learners could research different organisations (via published accounts and/or web pages) and discuss why some organisations face different problems (and have chosen different solutions) to others.

Some support will be necessary when choosing a business for the assessed work. Teachers should check that the chosen business makes sufficient use of a variety of methods of finance.

Managing working capital

This section concentrates on short-term financing needs. The concept of liquidity is key, and learners should be made aware of the fact that even profitable businesses can face liquidity problems — the difference between profit and cash flow must be made clear.

Learners must first learn how to calculate the key ratios of liquidity and working capital management. Practice is key here, and published accounts may be used once again. Emphasis must be made on the need for comparison — to the same business in previous years, or to other businesses in the same industry, or to industry averages.

Published accounts will often contain some of this comparative information — look in the directors' report, or any other reports which accompany the accounts themselves. Company websites may publish periodic reviews which will be useful. Teachers should try to use a variety of published accounts from companies in different industries, to show the different approaches adopted.

As well as identifying issues related to working capital, learners must learn how problems can be addressed. This is an area which may lend itself to group discussion — for example, a group of learners may research and discuss the different ways to improve debtor management.

Investing in equipment and projects	This section looks at longer-term issues, considering investment projects which will have implications over a number of years. Much of the initial work will again be geared towards practical techniques, although these can be arrived at via group discussion.
	For example, the simple idea of payback could be considered by looking at two projects which are identical, except that one repays its investment more quickly than the other. This can be developed into a discussion of the time value of money — suppose the slower project results, eventually, in higher returns?
	Textbooks are likely to be a key resource, although teachers can easily make up examples to illustrate particular points.
Investing in other companies	The main aspect of this section is a return to ratio analysis, but in a wider sense. The ratios calculated to assess liquidity and working capital management are still relevant, but are supplemented by ratios for profitability and gearing.
	The starting point will again be calculation, and published accounts are, again, very useful. Small groups can work well here — three groups could consider the same set of accounts, one looking at each area (profitability, liquidity, gearing) — this will help illustrate that the final investment decision should be based on different factors.
	Encourage learners to ask themselves, 'Why would I want to invest in company A rather than company B?'.
	It is likely that the assessed work for 11.4 will have to be based on a simulated scenario rather than a real world example, in contrast to the other three sections of this unit.

Links

Other units	This unit follows on from *Unit 2: Investigating Business*, which considers the way in which businesses manage their finances.
	Looking at the impact of financial constraints will aid understanding of *Unit 8: Business Development*, particularly in consideration of financial aspects and resource management.
	An understanding of financial constraints is key to any business decision, so the unit also links with *Unit 10: Marketing Decisions* and *Unit 13: Organising an Event*.
Industry	Local businesses may be able to provide speakers to discuss the particular issues they have faced and the ways in which they have dealt with the financing problem.
	Published accounts will provide a useful resource, and business websites may give further insight.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Brammer J, Cox D, Fardon M and Penning A — *Active Accounting* (Osborne Books, 2002) ISBN 1872962378

Brammer J and Penning A — *Managing Costs and Resources Tutorial* (Osborne Books, 2001) ISBN 1872962440

Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press 2006) Single and Double Award ISBN 1405821167

Goldstein-Jackson K — *The Astute Private Investor, Revised Edition* (Elliot Right Way, 1994) ISBN 0716020297

Kind J — *Accounting and Finance for Managers* (Crest Publishing House, 2007) ISBN 8124202052

Slater J — *Investment Made Easy, New Edition* (Texere, 1995) ISBN 0752800566

Financial and other press my also provide useful background.

Websites

news.bbc.co.uk/1/hi/business/your_money	BBC business and finance pages.
www.ft.com	*The Financial Times.*
www.hemscott.net	Business and investment information.
www.investorschronicle.co.uk	*Weekly Investors Chronicle.*
www.moneyfacts.co.uk	Best investment rates.
www.thetimes100.co.uk	Contains a wealth of resources and case studies based on real companies.
www.uk.reuters.com	Company reports and research.

Most major companies/businesses operate their own websites and they can provide useful information.

Unit 12: International Dimensions of Business

Internally assessed

Introduction

This unit offers you the opportunity to investigate businesses which trade on an international scale and to consider their reasons for doing so. You will study a variety of international organisations and their role in helping to promote trade and growth in a globally competitive environment. The ethical and moral dimensions of business activities are implicit in the study of this unit.

Recommended prior learning

Unit 1: Investigating People in Business, Unit 2: Investigating Business and *Unit 3: Investigating Marketing*.

Unit 4: Investigating Electronic Business, Unit 5: Investigating Customer Service and *Unit 6: Investigating Promotion* are all units which complement the study of the *International Dimensions of Business*.

What you need to learn

12.1 Investigate a range of businesses with an international presence

You are required to investigate a range of appropriate businesses. It is suggested that one with a European presence and one with a wider global presence will provide sufficient material for comparison. The investigation could be by a variety or combination of visits, speakers, correspondence and website visits. You will need to consider in your investigation:

- businesses with a European presence and businesses which have a wider global presence

- information about the business in terms of legal format, type, target market, sector and product range

- identification of the business aims and objectives, eg increasing sales, profit maximisation, attracting new staff, improving customer service, cost cutting, increasing efficiency, appealing to a global market

- the type of competition (perfect, monopoly, monopolistic or oligopoly) that the business faces in its domestic and overseas market.

12.2 Research and analyse the factors for one business having an international presence

In relation to any *one* multi-national corporation (MNC*)* business (with a domestic, European and/or wider global presence) of your choice.

Your research and analysis should cover:

- strategic objectives of its international presence
- how the theory of comparative advantage relates to the business' decision to trade internationally
- impact of host countries in 'inviting' this business to set up and trade
- incentives provided by the parent country to set up and trade in the host countries (sectoral development via the home country's export strategy — check the Department of Trade and Industry website)
- impact of the business' activities on customers, competitors, suppliers and on the business itself in the various countries
- consider the effectiveness of the business' presence internationally, eg wider than simply profit, consumers' views in home and host countries.

12.3 Explore the dynamics of international organisations on one chosen business in a globally competitive environment

You need to take account of the following in your explanation:

- the existence of the EU and its rules and regulations, eg trade, subsidies for farmers, taxes
- the existence of the World Trade Organisation (WTO) and its rules and regulations on the sector(s) of your chosen business
- the cost implications of not meeting international agreements (free trade rules be they in retaliation form or fines or loss of value in not 'standing shoulder to shoulder' with trade partners)
- the opportunities created by increasing international trade for the global community
- the dangers that exist alongside the opportunities for business and consumers of increasing international trade, eg child labour, pollution, protectionism, double standards.

12.4 Examine and evaluate the growth and influence of multi-national operations

You will need to take account of the following in your explanation and evaluation:

- strategic reasons for expansion (historical and current practice)
- impact on a developing 'host' country, eg Gross Domestic Product (GDP), consumer choice, individuals, employment, society/culture, other businesses and the environment
- impact on a developed 'host' country
- impact on governments (accountability, market failure, policy shaping).

Assessment evidence

Your work must consist of a portfolio of evidence for assessment. It must include:

(a)* an investigation of at least two businesses with an international presence and a comprehensive comparison of the similarities and differences between them

(b) research and analysis of the factors which have influenced one of these businesses to develop an international presence

(c) an exploration of the impact of international organisations on the behaviour of one of the two businesses in your portfolio

(d) **either** an exploration and evaluation of the growth and influence of an MNC via a case study, **or** an MNC of your choice.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) AO1, AO2, AO3, AO4 QWC (i-iii)	Basic investigation identifying two businesses with an international presence. Identification may contain omissions and comparison may place emphasis on either similarities or differences, but will consider both. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-7)**	Investigation explains the international presence of the two chosen businesses and contains a balanced comparison using examples. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(8-12)**	Detailed investigation with good explanation and analysis of the international presence of the two chosen businesses. Full comparison on whether businesses meet their aims and objectives, enhanced with relevant examples. 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. **(13-15)**	**15**
(b) AO1, AO2, AO3, AO4	Basic research and simple analysis of the factors influencing the establishment of an international presence for one chosen business. **(0-7)**	Research and analysis covering the importance of factors influencing the establishment of an international presence of the chosen business using relevant examples. **(8-12)**	Detailed research and analysis of the factors influencing the chosen business, applying relevant examples. **(13-15)**	**15**
(c) AO1 AO2, AO3 AO4	Simple explanation of impact, identifying the opportunities created by international organisations. **(0-7)**	Explanation of the threats and opportunities created by individual nation membership of international organisations on one business using examples. The coverage of threats and opportunities may not be equally emphasised but both will be considered. **(8-12)**	Detailed explanation, recommendations and evaluation of strengths and opportunities created by individual nation membership of international organisations on one business. Clear explanation giving examples of the potential drawbacks of this membership on the business. **(13-15)**	**15**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1,** **AO2,** **AO3,** **AO4**	Identification of the advantages and disadvantages of the growth and influence of a multi-national organisation. (0-7)	Explanation and evaluation of the advantages and disadvantages of the growth and influence of a multi-national organisation. (8-12)	Critical appraisal and justification of the advantages and disadvantages of the growth and influence of a multi-national organisation. (13-15)	**15**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

Assessment evidence (a) requires learners to give a basic description of businesses with an international presence. At the lower end of the mark range the learner is likely to have only described a few businesses in a narrow range. The learners' reasons for being international are likely to be a list of points such as 'increasing customer base or trading under more *favourable* market conditions abroad'. For higher marks the learner should elaborate on this suggestion, perhaps venturing into the market competition and describing how this differs to the domestic situation facing the business. An example could be the notion of 'efficiency as a route to higher profits and future sustainability', and may demonstrate some awareness of how business objectives are met.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (b) requires the learner to recognise factors from accessing cheap resources, benefiting from economies of scale to the existence of favourable trading incentives for a business. For full marks, the learner must cover the positive aspects as well as some of the negative aspects. In doing so, the learner should make reference to the broad range of incentives provided by governments for businesses.

Assessment evidence (c) requires learners to identify the strengths and opportunities created by membership of international organisations on business. Membership of trading blocs should be considered and a brief insight into their objectives is important. This may be a list of points, and if this is the case, the learner should only be awarded the lower marks within this band. For higher marks in this band the learner may evaluate this membership of an international organisation from a customer and business standpoint, developing the list of points further.

Assessment evidence (d) requires the learner to consider the reasons for MNC existence and the impact MNCs have in different countries, not only on customers and other businesses, but on the government, on the general public of the respective countries as well as on the environment. 'Evaluation' in this band requires a basic or partial evaluation of this assessment objective.

If the learner has required regular support and guidance throughout this work to ensure that progress is made, then the maximum mark available is 7, even if the quality of the work suggests it should be in mark band 2 or 3.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

Assessment evidence (a) requires further investigation into two businesses. This will mean the learner has investigated businesses from different countries or perhaps businesses that operate in different sectors of industry. Lists are not acceptable for credit in the mark band, although a professionally designed detailed table may be appropriate. For full marks in this band the descriptions will be clearly illustrated with relevant examples, showing a balanced comparison.

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.

Assessment evidence (b) is characterised the learner's ability to highlight the most important factors influencing the business in establishing an international presence. For higher marks in this band there should be some form of prioritising of the factors affecting the business's international presence.

Achievement of assessment evidence (c) is characterised by weaving explanation into the text. The 'strengths and opportunities' required need not number more than would be expected for band 1, as it is the variety and relevance that is important. Therefore, the explanation of the 'drawbacks' is important in this band. In this band, the range chosen might still have omitted one or two significant factors. However, to start achieving credit in this band the learner must provide a detailed explanation of at least two drawbacks, reinforcing them with fully illustrated examples.

Assessment evidence (d) requires development of some of the points made in mark band 1 into the ways in which the MNC has an influence in developing 'host' and developed 'host' countries. For high marks in this band, learners must show that they have been able to justify the most significant influences in each of the countries.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

Achievement of assessment evidence (a) is characterised by thorough knowledge and understanding of the business objectives and how they relate to the organisations' international presence. Credit cannot be awarded in this band without it. The learner must have explicitly chosen two businesses to explore in detail. The learner could choose one business that meets its aims and objectives with an international presence (such as easyJet) and another business that fails to do this effectively. For full marks at this level, the examples should not only be given, but should be carefully chosen to support an awareness of global business.

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.

Achievement of assessment evidence (b): the learner should critically examine the potential opportunities and constraints facing the business of having an international presence and comment on the extent to which they help the business with its international presence. This may be related to the earlier analysis of the purposes of an international presence in the first instance. The learner should also appraise the outcome of their analysis of potential opportunities and constraints and make a judgement on the feasibility of having an international presence. For full marks, the learner must justify their judgement with examples of both positive and negative factors.

The work for the achievement of assessment evidence (c) must be explanatory in style. Once again, the distinction between bands is one of quality rather than quantity, and so 'evaluation' of the opportunities created by international organisation membership for business should include a consideration of the extent to which supposed opportunities may prove to be exaggerated, over hyped or based upon unrealistic assumptions of customer response or business activity in the real world. Also, the 'recommendations' must have some detailed explanation such as '…membership of the WTO for a country like the USA means they have to comply with the rules set by the WTO for fair trade in order to increase global trade for all member countries. George Bush's decision to protect the US steel manufacturers against WTO rules by subsidising their production means that US steel manufacturers have an unfair trade advantage. This clearly helps achieve the business objectives for the US steel industry, but actually disproportionately harms international steel manufacturers and consumers who have to face higher prices.'

Recommendations on how the US membership of the WTO could be used to help achieve the objectives of all steel businesses should be awarded higher marks in this band. For full marks most of the recommendations will have such detailed explanation, and there may be an attempt to indicate which are most significant.

Assessment evidence (d) requires the higher order skills of making reasoned judgements on the effects of the behaviour of MNCs. It is important the advantages that MNCs bring to the global community are considered alongside the disadvantages. A learner should be awarded marks at the lower end of this band if this evidence has not been presented. For full marks in this band the learner must be able to show the relative importance of the advantages of MNCs alongside the disadvantages. In doing so, the learner should have prioritised the importance of these effects. In order to achieve a mark in this band the learner must have worked independently on this assessment objective.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

Investigate a range of businesses with an international presence

This unit is essentially about transnational or global corporations who conduct and control production in more than one country and the unit explores their reasons for doing so. It is important that learners have access to appropriate ICT facilities as a learning tool. This is not to say that all the work must be based around the computer and the internet; simply that the learner has access to the facilities in the initial stages of delivery. Learners will need to work independently from PCs and to reflect critically on what they see on the web. Essentially, the work in this part of the unit is investigating different businesses and therefore the websites of these organisations will be extremely useful, but other activities such as visits, talks, or other media are equally useful.

Learners should be encouraged to explore the full range of organisations across different commercial sectors from b2b (business to business organisation), b2c (business to consumer organisation), g2b (government to business organisation), g2c (government to consumer organisation). In doing so, the delivery of this unit can contribute to learners' understanding of moral, ethical, social, cultural, European and global as well as environmental issues around business operation.

Factors for this business having an international presence

Having identified a range of factors for two businesses in the first stage, learners need choose only *one* of these businesses. The focus here is on analysing why the particular factors identified earlier are relevant to the business' international presence, eg in trying to increase efficiency British Airways have moved their customer services operations to India. This is partly to do with lower labour costs in India compared to the UK and also to do with the theory of comparative advantage. Whilst it is not necessary to illustrate the numerical values involved in showing comparative advantage an understanding of how this economic concept promotes trade or not as the case may be, is essential.

The 'incentives' offered by different countries to encourage businesses to set up/trade from within their domestic boundaries are an important factor in the initial decision to venture into new overseas markets. Exploring the UK's export strategy is considered to be an important learning area. This can easily be accessed via the Department of Trade and Industry's (DTI) website, as well as through the Confederation of British Industry. In delivering this area, it would be ideal to invite outside speakers, eg DTI representatives for the UK stance, a representative from an MNC (one of the advantages of being an MNC is that there is always someone who can be spared to improve their corporate image!), local businesses seeking to expand internationally or those who have already done so successfully.

Explore the dynamics of membership of international organisations on your chosen business in a globally competitive environment	Most relevant textbooks will cover some aspect of the range of content indicated, but teachers will need to refer to a multitude of textbooks. International organisations vary from trading blocs such as the European Union (EU), EFTA, NAFTA, APEC, AFTA, SADC to membership of the World Bank, the International Monetary Fund (IMF) and The World Trade Organisation (WTO) and could be extended to the United Nations, NATO and international charity organisations such as Oxfam and The Red Cross.
	It is advisable to deliver the content by illustrating the point being made via appropriate texts, websites, or newspaper articles reviewing the impact the membership of particular organisations can have. It is important for learners to see and understand how membership of international organisations may be like a double-edged sword for some countries. In this way, the learning experience can be tailored to learner needs at a local/national level with case illustrations reflecting learner interest motivating them further in their understanding and making analysis more accessible.
Evaluate/explore the growth and influence of multi-national operations	In delivering this part of the unit it is important to carefully review the initial reasons for the existence of MNCs. It would help learners to do a timeline of the growth of MNCs in the post-war period and to examine the size of the top MNCs with the size of the economies of a less-developed country. This offers opportunities for discussion-based work, which is likely to be evaluative in nature on the *merits of this existence* and the implications for consumers, smaller local business and global citizens.
	MNCs have brought benefits to many countries around the world. The question posed is, 'has it been worth it for the citizens of these countries?' Often, the answer from locals is, 'yes' mainly because of the creation of employment opportunities. However, the analysis of the drawbacks could cover the implications for local people, local business and the wider global community. It could also cover the differences in the way that operations work in one country compared to another and coverage of the reasons for this.
	Learners will need to explore issues around market structure within the sector(s) the MNC operates in various countries and the level to which competition exists in these markets. The Kyoto Agreement could be explored here to consider how this may impact on an MNC that has based its production abroad to avoid regulations covering pollution externalities in the 'home' country.

Links

Other units	This unit builds on the learning developed in *Unit 2: Investigating Business* and *Unit 3: Investigating Marketing*. There is scope for the more able learner to integrate this unit evidence with that of *Unit 3: Investigating Marketing*. In the optional units there is scope for joint delivery for aspects of *Unit 5: Investigating Customer Service* and *Unit 6: Investigating Promotion*.

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Industry

There is ample scope for developing links with MNCs or utilising existing links with charities and government departments, like the DTI. Where the centre has been sponsored by an organisation(s), this unit may provide the opportunity to develop a work-related curriculum setting for the investigation, analysis and evaluation.

There is a wealth of information available on MNCs, but the key is to be able to link this with the strategic objectives of the business. Therefore, any organisation with an international presence which the institution has access to could be investigated or used as a delivery case study.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

There are many excellent textbooks covering the range of topics in this unit. Most business textbooks will be useful for the initial areas of the unit and economics textbooks will need to be referred to more heavily in the latter parts of the unit. Specific books around the existence and operations of MNCs will be useful resources.

Amartya S — *Development as Freedom, New Edition* (Oxford University Press, 2001) ISBN 0192893300

Amor Daniel — *The E-business Revolution, Second Edition* (Prentice Hall, 2002) ISBN 0130670391

Anderton A — *Economics, Fourth Edition* (Causeway Press, 2006) ISBN 1902796926

Barnes I — *The European Union and World Trade* (Hidcote Press, 1996) ISBN 1898837201

Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press, 2006) Single and Double Award ISBN 1405821167

Hall D et al — *Business Studies* (Causeway Press, 1999) ISBN 1873929900

Marcouse I et al — *Business Studies, Third Edition* (Hodder Arnold, 2008) ISBN 0340966904

Maunder P — *Economics Explained, Third Revised Edition* (Collins, 2000) ISBN 0003277585

Mercado S et al — *European Business* (FT Prentice Hall, 2000) ISBN 0273646001

Mole J — *Mind your Manners: Managing Business Culture in the New Global Europe* (Nicholas Brealey, 2003) ISBN 1857993144

Sloman J — *Economics, Sixth Edition* (FT Prentice Hall, 2006) ISBN 1405847182

Stiglitz J — *Globalization and Its Discontents, New Edition* (Penguin, 2003) ISBN 014101038X

Websites

www.ba.com	British Airways.
www.bbc.co.uk	BBC website.
www.bized.co.uk	Bized (provides business case studies suitable for educational purposes).
www.bp.com	British Petroleum (BP).
www.coca-cola.com	Coca Cola.
www.economist.com	*The Economist*.
http//europa.eu	European Union online.
www.greenpeace.org/international	Greenpeace International.
www.gsk.com	Glaxo.
www.guardian.co.uk	*The Guardian* newspaper.
www.hsbc.com	HSBC.
www.mcdonalds.com	McDonalds.
www.microsoft.com	Microsoft.
www.nestle.com	Nestlé.
www.nike.com	Nike.
www.oxfam.org.uk	Oxfam.
www.sony.com	Sony.
www.toyota.com	Toyota.
www.tutor2u.net	Tutor2u (business online learning resource).

Unit 13: Organising an Event

Internally assessed

Introduction

In the business world you are often required to plan and organise an event such as a conference, meeting or staff outing. This unit gives you the opportunity to plan, manage and administer, to completion, a one-off event, concentrating on the practical knowledge, understanding and skills this needs in the business world.

Recommended prior learning

Unit 1: Investigating People at Work, Unit 2: Investigating Business, Unit 3: Investigating Marketing.

What you need to learn

13.1 Feasibility of the event

In business it is always necessary first to investigate the feasibility of an event. When working in the business world, events — large and small, need organising. Examples range from the launch of a new product or the rebranding of a business, planning a residential for team building, a works Christmas meal or event or a conference. The knowledge, skills and understanding needed to organise all these events, large and small, is the same.

To consider the viability of the event you need to consider:

- the reason for holding the event

- the choice of event for this unit should be something substantial, eg foreign trip, exchange trip, graduation, leavers' ball or large charity event

- the aims, objectives and outcomes of the event

- carrying out research into the feasibility of the event using primary and secondary sources, qualitative and quantitative data and reasoned decisions

- the setting of SMART objectives relating to client and organisational outcomes and quality standards

- financial constraints — budget, fixed and variable costs, sources of funding, future revenue (if any)

- risk assessment/management.

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13.2 Planning the event

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Once the event is proved feasible, its success will depend on good planning, monitoring and communication. You need to consider planning issues such as:

- undertaking a risk assessment
- physical resources — equipment, location, materials
- time constraints — time lines and critical path analysis, Gantt charts, flow diagrams
- legal constraints — health and safety, contract, negligence
- human resource requirements — team working, allocation of roles, special needs
- working practice constraints — booking methods, recording data, meetings
- financial requirements, eg cash flow forecast, raising finance
- contingency plans and insurance aspects
- contract supplies — catering, bar, security

You should also consider the importance of the management of information and communication for the success of the event:

- letters, reports, invitations, notices
- ICT — internet, email, databases, records, spreadsheets, project calendaring software, recording, booking and reservations, monitoring, projecting, data identification.

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13.3 Staging the event

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You need to consider:

- contracts for venues, supplies, personnel
- marketing, eg publicity, advertising, sponsorship, guest list, invitations
- operation, eg organisation and communication on the day, principles of customer service, problem solving, contingency plans, adjustments (and reasons)
- equality of access
- financial recording and security
- health and safety issues.

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13.4 Review and evaluation of the event

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You need to evaluate the event considering:

- whether objectives/targets were met
- whether the project met the needs of the client/group/audience
- whether the project was fit for purpose (eg it met the budget etc)
- feedback from interested parties — type of information-gathering systems used and how successful they were
- recommendations/suggestions for improvement.

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Assessment evidence

Assessment evidence will consist of a presentation and a report which, between them, cover all the assessment evidence. For any oral aspects of the presentation, a hard copy script or commentary must be provided. Video or audio material is not acceptable.

Your work must include evidence of:

(a)   research into the feasibility of an event

(b)* planning of the event

(c)   staging the event and evaluating own contribution

(d)   evaluating the success of the event, making recommendations for improvement.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) − (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1,** **AO2,** **AO3,** **AO4**	Individual evidence of research into feasibility of an event, with stated aims and objectives. Use of both primary and secondary research and qualitative and quantitative data. A limited range of sources may be used and there may be an imbalance. **(0-7)**	Individual evidence of research using primary and secondary information and qualitative and quantitative data from a range of sources, showing prioritising of evidence and reasoned conclusions. **(8-12)**	Detailed research and a wide range of sources and data used with justified conclusions and appropriate recommendations. **(13-15)**	**15**
(b) **AO1,** **AO2,** **AO3,** **AO4** **QWC** **(i-iii)**	Evidence of planning and consideration of constraints. There may be imbalance of treatment but at least two constraints will be considered in reasonable detail. An outline risk assessment is considered. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-7)**	A risk assessment of the project will have been completed, together with an outline contingency plan. There will be identification of essential insurance requirements together with an identification of non-essential but desirable insurance needs. There may be an imbalance between the treatment of the different areas but no areas will be omitted. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(8-12)**	A detailed risk assessment of the project will have been completed that correctly identifies major risks. Contingency plans will be included. There will be identification of essential insurance requirements together with an identification of non-essential, but desirable, insurance needs. All the other constraints will be well covered and evaluated. 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. **(13-15)**	**15**
(c) **AO1,** **AO2,** **AO3,** **AO4**	Active participation in the staging of the event together with a basic description and subjective evaluation of own performance. **(0-7)**	Positive and sustained contribution to the staging of the event together with an explanation of own role and an objective evaluation of own performance resulting in a reasoned conclusion. **(8-12)**	Significant sustained participation in the staging of the event together with a detailed explanation of own role and an objective evaluation with justified conclusions. **(13-15)**	**15**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(d) **AO1,** **AO2,** **AO3,** **AO4**	A basic evaluation of the success of the event with basic recommendations. **(0-7)**	A sound evaluation of the success of the event that makes recommendations drawn from the data collected and analysed. This will explain the viability, or otherwise, of the project. **(8-12)**	A detailed evaluation of the event that makes appropriate recommendations drawn from the data collected and analysed. All aspects will have been justified and there will be realistic proposals for improvement. **(13-15)**	**15**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions.*)

Assessment guidance

Mark band 1

Assessment evidence (a) requires the learner to research the feasibility of the project, looking at aims, objectives and outcomes, constraints and risk assessment. In this band the research will look at limited sources and data, and decisions may not be clearly linked to the research.

The aims and outcomes of the event should be clear, but the setting of SMART objectives may not be fully achieved. Sources of funding will be stated but not explained. Alternative sources are unlikely to be explored and although the budget should be clear, there may be only an outline coverage of fixed and variable costs, and an outline mention of risk management.

Lower marks will be achieved where there are omissions/imbalance in coverage of factors, eg only aims, objectives and outcomes with no mention of financial constraints. Higher marks will be awarded for broader coverage of factors affecting viability.

Assessment evidence (b) requires the planning of the project and consideration of constraints. In this band, there may be imbalance of treatment, but at least two constraints will be considered for the bottom of the band, eg physical constraints may be described superficially and without much thought as to how they might be dealt with. Time constraints may be put in a simple time line, but with no attempt to introduce critical path analysis of the project. Constraints, or deeper coverage of some, eg if the legal constraints looked selectively at relevant contract, negligence and health and safety law, with accurate but not derivative information and application to the event.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

Assessment evidence (c) requires the staging and controlling of the event. The evidence produced will be superficial, with major aspects of the event omitted. For example, at the lower end of the band there may be list-like coverage of how well some aspects of the event went in the report, without any critical comments, contingency plans or adjustments made or the reasons they were needed. The evaluation of own performance is likely to be very subjective and superficial. At the top of the band there will be a more critical explanation of the event and own participation.

Assessment evidence (d) requires a basic evaluation of the successes and failures in the project as well as simple recommendations for improvements. This is likely to be brief, simplistic and superficial, with limited connection between the evidence of success or failure and the recommendations. At the lower end of the scale there may have been no attempt to evaluate either success or failure.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2	*Assessment evidence (a)*: the learner will use primary and secondary information and qualitative and quantitative data from a range of sources in looking at the feasibility of the project, sources will be referenced. There should be clear coverage of sources of funding and the setting of SMART objectives, although other areas may not be given more than superficial coverage.

Assessment evidence (b) requires the planning of the project with the consideration of constraints. No areas of constraint will be omitted, but there may be an imbalance of treatment. There will be some application of the physical requirements to the funding required. There should be evidence of a projection of likely costs that can be compared with actual costs in the evaluative part of the work. The physical constraints will be described in some detail. There will be a simple time line with some attempt to introduce critical path analysis of the project. There is likely to be an accurate descriptive summary of the legal principles relating to contract, negligence and health and safety law in the context of the project. The description of the law will be selective. There will be a risk assessment that may take the form of a standard form with some justification for the assessed levels of risk of different aspects of the project. There will be identification of essential and some non-essential insurance requirements with some explanation of the reasons for inclusion and likely costs. At the lower end of the mark band this is likely to be brief and may be derivative.

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.

Assessment evidence (c) requires the staging and controlling of the event and evaluation of own contribution. There will be full explanation of the staging of the event and own participation. Adjustments and contingencies needed will be detailed. Evaluation of own contribution will be objective, using relevant selected examples to support conclusions.

Assessment evidence (d) requires the learner to attempt a judgement (evaluation) of the successes and failures of the event as well as making recommendations for improvements. At the lower end of the scale, this is likely to be brief and superficial, but with sound connection between the evidence of success or failure and the recommendations. At the lower end of the scale there will have been some attempt to evaluate both success and failure.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3	*Assessment evidence (a)*: there will be detailed research into all aspects of viability of the event, all sources will be referenced and clear application of research to the event and justified conclusions to appropriate resources will be made.

Assessment evidence (b): all constraints will be covered in equal detail. Explanation and application will relate specifically to the event.

There will be clear application of the physical requirements to the funding required. There should be evidence of a projection of likely costs that can be compared with actual costs in the evaluative part of the work. The physical constraints will be described in detail. There will be a simple time line and critical path analysis of the project. There is likely to be an accurate descriptive summary of the legal principles relating to contract,

negligence and health and safety law in the context of the project. The description of the law will be selective and with clear application. There will be a risk assessment that may be a standard form with some justification for the assessed levels of risk of different aspects of the project. There will be identification of essential and some non-essential insurance requirements with some explanation of the reasons for inclusion and likely costs.

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.

Assessment evidence (c) requires detailed information on significant participation in the staging of the event, with in-depth objective explanation of own role and justified conclusion.

Assessment evidence (d) requires the learner to make a judgement (evaluation) of the successes and failures in the project as well as making recommendations for improvements. There will be sound and detailed connection between the evidence of success or failure and the recommendations.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

General

Learners need to be guided into a suitable one-off event. The event must be something substantial, eg a foreign trip to observe business organisations in other countries, or a similar trip or residential in this country, a graduation or leavers' ball or a large charity event. The event should be substantial enough to provide sufficient scope for both primary and secondary research, and for the collection of quantitative and qualitative data. There should be a business element to the event, but it could be based on a school or college visit or event, providing the business side rather than the travel or recreational side is analysed. The event needs to be developed and completed. The emphasis here is on planning, monitoring and management rather than on market research and detailed financial analysis. Choice of a successful project is not a pre-requisite to success as the review and evaluation of the project will discuss success or failure.

Feasibility

This is an essentially active unit. There is likely to be little formal taught input, although learners may need some guidance with respect to some aspects of the constraints, such as budgeting and budget monitoring and critical path analysis. A brief outline of the legal constraints is all that is needed as individual aspects will be considered for each project. For example, formation of contract will need to be understood by all learners in the context of offer and acceptance, but specific laws would need to be researched in the context of individual projects.

Communication	The presentation is important. Learners can choose which parts to present verbally or in a written report. They must describe the project and give the details in an appropriate format. This will typically be a PowerPoint presentation with supporting documentation. Time will be needed to bring the elements of the project together. The supporting documentation such as letters, research sources and the budget report may be best presented following preparation using different software. This documentation will usually be prepared as the project goes on, so that the final presentation is a relatively small task with editing of materials to form the supporting material. Learners need to be selective and centres may wish to set limits for some learners to avoid the 'kitchen sink' approach.
Monitoring	Monitoring should be a continuous process. Once a plan has been made, critical dates need close monitoring, as does the action of any contingency strategy. Techniques will need to be introduced to the learners at an early stage in the unit so that they can become familiar with them and use them appropriately.
Review	Review is essential to enable future projects to be delivered successfully. Self-evaluation, as well as the views of others affected by the project, need to be considered. This is essential, even if the project fails completely, as there is much to be learned from the failure or non-occurrence of a planned project.

Links

Other units	*Unit 2: Investigating Business, Unit 7: Investigating Enterprise* and *Unit 8: Business Development*.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks	Burton C, Michael N — *A Practical Guide to Project Management* (Kogan Page, 1992) ISBN 0749407905
	Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412
	Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903
	Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press, 2006) Single and Double Award ISBN 1405821167
	Lewis J — *Fundamentals of Project Management, Third Edition* (Amacom, 2006) ISBN 0814408796
	Rogerson S — *Project Skills Handbook* (Chartwell-Bratt, 1989) ISBN 0862381460

Websites

www.bbc.co.uk	BBC website.
www2.bitc.org.uk	Business in the community.
www.bized.co.uk	Case studies appropriate for educational purposes.
www.foi.gov.uk	Department for Constitutional Affairs.
www.ico.gov.uk	Issues surrounding data protection.
www.lawtel.com	Lawtel online legal information service.
www.legislation.org.uk	Good summary of Data Protection Act.
www.lexisnexis.com	Lexis-Nexis online legal and business information service.
www.mindtools.com/	Advice on career skills.
www.oft.gov.uk	The Office of Fair Trading.
www.thetimes100.co.uk	Case studies appropriate for educational purposes.
www.tradingstandards.gov.uk	Trading Standards Centre — useful summary of main consumer legislation.
www.vts.intute.ac.uk	Virtual training site.

Unit 14: External Influences on Business

Internally assessed

Introduction

This unit gives you the opportunity to consider some of the external influences that affect a business or industry. Businesses rarely have any control over these influences. You will analyse how a business or industry has reacted to these influences in the actions that it has taken and the changes it has made to its practices and activities.

Recommended prior learning

Unit 1: Investigating People in Business, Unit 2: Investigating Business, Unit 3: Investigating Marketing and *Unit 4: Investigating Electronic Business*.

What you need to learn

14.1 Legal influences

There are many pieces of legislation that affect a business or industry. They may result from the introduction of new EU rules or from the Government's desire to regulate some aspect of business activities. New or revised legislation can have a significant effect on the way a business or industry carries out its activities. You need to consider the effect on your chosen business of:

- consumer legislation introduced within the last five years relating to the sale of goods or services.

- data protection legislation introduced in the last ten years

- employment legislation introduced in the last five years.

14.2 Economic Influences

All businesses are affected by changes in the economy within which they operate. You need to be aware of the effect on your chosen business of:

- trends in the national economy, such as

  – the business cycle

  – inflation

  – unemployment levels

  – fear of excess borrowing by consumers

  – rising interest rates

  – skill shortages

- trends in the global economy, for example

  – expansion of the EU

  – war and its threat

  – fear of terrorist attacks

  – movement of jobs from UK to developing countries.

| **14.3** | **Environmental influences** | A business has to consider an increasing number of environmental issues when it is operating. You need to consider in relation to your chosen business: |

- UK legislation and regulation for control of pollution

- methods and benefits of waste reduction

- underlying concepts in environmental regulation.

| **14.4** | **Technological influences** | The way in which business is carried out has changed greatly in the past 15 years, as increasingly sophisticated computers have become available to even the smallest business. In this section of the unit you need to consider the impact on your chosen business of: |

- cheaper, more powerful computer hardware

- development of human-computer interface technologies

- integration packages

- sophisticated software applications including

    – graphics and presentation graphics

    – desk top publishing

    – word processing

    – spreadsheets

    – databases

- communications technology including

    – websites

    – email

    – mobile phone technology

    – video conferencing

    – broad-band technologies

    – networking.

Assessment evidence

Assessment evidence will take the form of a report in the style of a chairman's report to shareholders, on the effect and impact these four influences have had on a specific business, and what actions have been necessitated as a response.

The report must include:

(a) demonstration of knowledge and understanding across all four areas of legal, economic, environmental and technological influences

(b) application of knowledge and understanding to the specified business of the four areas of legal, economic, environmental and technological influences

(c) evidence of research and analysis of the four areas of legal, economic, environmental and technological influences

(d)* evaluation of the evidence produced for the four areas of legal, economic, environmental and technological influences.

*Opportunity for learners to be assessed on Quality of Written Communication (QWC) — (i-iii).

Assessment criteria

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(a) **AO1**	A chairman's report which describes some aspects of all four areas of influence, ie legal, economic, environmental and technical. However, there may be lack of understanding revealed or imbalance of coverage, and/or little relevance to the chosen business, for example information is presented in a textbook format with little evidence of selection of relevant material. **(0-7)**	A chairman's report which explains all four areas of influence, ie legal, economic, environmental and technical, and shows clear understanding across all four. The explanation is supported by some relevant illustrations and there is clear reference made to the chosen business. **(8-11)**	A chairman's report which comprehensively explains all four areas of influence, ie legal, economic, environmental and technical, as they impact on the chosen business. Thorough knowledge and understanding are evident. There is good selection of relevant material. Use is made of detailed appropriate examples. **(12-15)**	**15**
(b) **AO2**	Tenuous links made in applying the material to the business which reveals gaps in understanding and/or business skills. For example, because material presented is not strictly relevant to the selected business or application is weak. But there is some attempt at applying each influence. **(0-7)**	All areas of influence are applied, with relevant examples used showing clear context to the business. At least one category from each influence will be applied. At the higher end of the band, a more detailed and broad application will be presented for each influence. There may be some imbalance in the application and coverage at the lower end of the band with perhaps a more descriptive approach to some of the four areas. **(8-11)**	Sound application of all four areas of influence using well-selected and up-to-date and relevant examples showing originality of thought. At least two categories from each influence will be soundly applied. **(12-15)**	**15**

	Mark band 1	Mark band 2	Mark band 3	Mark awarded
(c) **AO3**	Use of limited sources of research resulting in narrow superficial coverage. There will be a simplistic attempt to analyse the impact on the selected business but there may be an imbalance across the four areas of influence. **(0-7)**	Good use made of a wide range of appropriate sources. Sources are acknowledged, information is selected and presented to analyse the impact of all four areas of influence. Analysis is supported by reasoning and there is a good coverage across all four areas. **(8-11)**	Thorough and comprehensive research using relevant and up-to-date information from a wide range of sources. Use of appropriate techniques to analyse. Detailed coverage across all areas of influence. **(12-15)**	**15**
(d) **AO4** **QWC** **(i-iii)**	Some evaluation, although this may consist of simplistic black and white judgements about the impact of the four areas of influence, and may show a lack of wider business understanding. Uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. **(0-8)**	Reasoned judgements are included on the impact of all four influences. The judgements may occasionally be simplistic but will generally demonstrate a good business understanding. Uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. **(9-12)**	Detailed, justified judgements about the impact of each of the four influences will be included. The judgements will demonstrate an excellent understanding of the wider context for the issues affecting the business. At the top of the band there will be evidence of an understanding of the interrelationship of the influences on the business as a whole. 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. **(13-15)**	**15**
			Total marks	**60**

(For description of AOs see *Appendix D: Performance descriptions*.)

Assessment guidance

Mark band 1

The evidence for this unit takes the form of a report in the style of a chairman's report to shareholders, similar to those found in published financial accounts.

Assessment evidence (a) requires the learner to describe the business that is the subject of the report and the four areas of influence. At the lower end of the mark band this will be a brief, unfocused description which may show imbalance. At the higher end of the mark band appropriate details on size, nature, location and market will give a basic description that is sufficient to enable the description of the influences to be put in a limited context. Information may reveal lack of understanding.

Assessment evidence (b) requires the learner to apply the knowledge of the influences on the business. There must be some attempt at each influence. Lower marks are likely for identification, higher for description and stronger application, eg learners may have identified one example of each type of legislation (consumer, data protection, employment) and may have given a basic description of its content and effect and then applied it to the business, or economic trends may have been identified and briefly exemplified, usually by means of graphs or charts. There may then be weak explanation or interpretation of the trends and application to the business. Alternatively, environmental influences may have been identified, although relevant legislation is likely to be poorly researched. For example, the benefits of waste reduction may have been identified but other aspects will be dealt with in a very superficial manner, if at all. Technological influences will have been described although there may be poor appreciation of the significant changes that have taken place since the mid-1990s.

Assessment evidence (c) requires evidence of research and analysis of information. Research will be from limited sources which may not all be referenced. There will be an attempt at analysis, but this will be weak and simplistic.

Assessment evidence (d) requires the learner to evaluate the impact of the influences on the chosen business or industry and the responses necessitated. Learners will attempt a basic judgement (evaluation) but this is likely to be brief, simplistic and superficial.

The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.

(See the section *Applying the mark bands* for further guidance.)

Mark band 2

The evidence for this unit takes the form of a report in the style of a chairman's report to shareholders, similar to those found in published financial accounts.

Assessment evidence (a) requires the learner to describe the business that is the subject of the report or article. At the lower end of the mark band this will be a brief but focused description which is largely accurate. There will be appropriate details on size, nature, location and market of the business but there are likely to be variations in the breadth and depth of the descriptions. The description will be sufficient to enable the four influences to be put in context. At the higher end of the mark band the description will be detailed but with minor errors and omissions. At least one category from each influence will have a detailed explanation. The work will show how the influences apply to the chosen business

Assessment evidence (b) requires the learner to apply the four influences to the business. At least one category from each influence will be explained in detail. Where more than one category has been explained in detail, weaknesses in one category may be balanced by strengths in another. There must be an attempt at each influence.

Learners may have identified one example of each type of legislation (consumer, data protection, employment) and will have given an accurate description of its content and effect. There is likely to be some application to the business or industry. At the higher end of the mark band this will be a detailed application.

Economic trends may have been identified and accurately exemplified, usually by means of graphs or charts. There will be some explanation or interpretation of the trends and some application to the business or industry. There is likely to be some imbalance in the treatment of national and global economic trends.

Environmental influences will have been identified and relevant legislation will have been researched. At the higher end of the scale the underlying concepts in environmental regulation will have been identified and learners will have been able to demonstrate how some of these concepts apply to their chosen business. For example, the concept of renewable resources in the use of timber might have been explained and applied to a furniture manufacturer.

Technological influences will have been described in some detail. Learners will demonstrate an appreciation that there has been significant change in the operation of business since the mid-1990s. For example, the real cost of a desktop PC might be demonstrated graphically and that information used in conjunction with the increased numbers of PCs used within a particular business.

Assessment evidence (c) the learner produces sound research from a broad range of sources which are all referenced. Analysis is sound and relevant.

Assessment evidence (d) requires the learner to evaluate the impact of the four influences on the chosen business or industry.

Learners will evaluate and attempt a judgement. This is likely to be fairly brief and superficial in parts, particularly at the lower end of the mark band.

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.

(See the section *Applying the mark bands* for further guidance.)

Mark band 3

The evidence for this unit takes the form of a report in the style of a chairman's report to shareholders, similar to those found in published financial accounts.

Assessment evidence (a) requires the learner to describe the business that is the subject of the report. At the lower end of the mark band the description will be detailed but with a few minor errors and omissions. All influences will be given equal weight. At least one category from each influence will have a detailed explanation. The influences will be convincingly applied to the chosen business or industry, although at the lower end of the mark band this may be less convincing in one case.

Assessment evidence (b) requires the learner to apply the influences to the business. At least two categories from each influence will be explained in detail. Where more than two categories have been explained in detail, minor weaknesses in one category may be balanced by strengths in another. Each influence will have been considered.

Learners will have identified at least two examples of each type of legislation and will have given an accurate description of its content and effect. There will be sound application to the business or industry. At the higher end of the mark band this will be a detailed application.

Economic trends will have been identified and accurately exemplified by means of graphs or charts. There will be explanation and interpretation of the trends and sound application to the business or industry. There should be balance in the treatment of national and global economic trends.

Environmental influences will have been identified and relevant legislation will have been researched. Learners will demonstrate a clear understanding of the relationship between environmental concepts and legislation as they impact on the chosen business or industry.

Technological influences will have been described in detail. Learners will demonstrate a clear understanding of significant change in the operation of business since the mid-1990s that has had an impact on many aspects of the chosen business or industry. For example, the implications of the increased use of desktop PCs on staffing levels, training and staff expectations might be described and evaluated with the use of graphical information to support the arguments.

Assessment evidence (c): thorough and comprehensive research using relevant and up-to-date information from a wide range of sources. There will be good and detailed analysis.

Assessment evidence (d) requires the learner to evaluate the impact of the influences on the chosen business or industry.

Learners will evaluate the influences and their impact, showing a deep understanding of the interrelationship of influences and providing justified judgements.

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.

(See the section *Applying the mark bands* for further guidance.)

Delivering this unit

General information

The work for this unit is to take the form of a report in the style of a chairman's report to shareholders. Every annual report issued by public limited companies includes a review of the year's activities. There will be given different titles by companies, for example, chairman's report, chief executive's report, review of operations etc. Annual reports may be downloaded from company websites (company or investor information), or hard copy obtained from the company. Learners are recommended to view the reports of several different companies to get ideas for the layout and structure of their report.

This unit offers many opportunities for active learning by learners. For example, role play could be used to examine the need for environmental legislation by looking at confrontation between employers, employees, local residents affected by pollution, or pressure groups. Legal influences could be the subject of class debate, for example arguments for and against the concept of, or need for, data protection.

The Times 100 case studies can form the basis of many classroom activities. There are a number of case studies which incorporate topics from this unit.

Legal influences

The objective of this unit is to gain an appreciation of the role of legislation in ensuring that business operates in a just and meaningful way.

For learners to be able to understand the effect of changes in legislation, it will be necessary for them to have some knowledge of the position prior to the new legislation being introduced. Learners will find it easier to research the requirements of a business in the context of legislation if they consider the general purpose of the legislation rather than huge detail. Detail can be used to illustrate specific points of particular application to the business or industry investigated. A typical starting point for consumer legislation will be to consider the Sale of Goods Act 1979, the Supply of Goods and Services Act 1984 and then consider regulations such as the Sale and Supply of Goods to Consumers Regulations 2002. For data protection, the starting point must be the Data Protection Act 1998 and for employment legislation the Employment Rights Act 1996.

Economic influences

Learners need to understand how movements in the economy can affect business profitability. They need to be able to produce and explain a diagram illustrating the business cycle. They should understand the implications that 'good' economic indicators, such as low inflation and low unemployment have for a business, as well as the 'bad' indicators of high inflation and high unemployment. Learners' work should include an understanding of the state of the economy at their time of writing.

The expansion of the EU will have significant implications for UK businesses. Learners should know which countries are joining the EU in the next round and be able to explain, albeit in simple terms, the effect that this is likely to have on EU businesses, including those in the UK. They should be aware of the difference in the wealth of developed countries and that in the developing world and why this has led to a movement of jobs from the UK to the developing world. Learners should have some awareness of the implications of the threat of war and terrorist attacks.

Environmental influences	Learners need to demonstrate an awareness of environmental issues that affect the business or industry investigated. The starting point for this will be the underlying concepts behind government policy. Learners can then focus on the requirements of government through legislation and incentives which can be considered in the light of the response of the business or industry. It may well be difficult to establish precisely what action has been taken by a particular business and therefore it is acceptable to describe, and then analyse, the perceived activity that has taken place.
Technological influences	Learners need to understand how very substantial and rapid the change to working practices has been as a result of the introduction of new technology. The increased power of computers, the advantages and disadvantages of email, the flexibility provided by mobile phones etc should all be considered. Learners should be aware that the use of new technology brings disadvantages as well as advantages, for example the proliferation of nuisance email and the monitoring and control of the internet both at home and at work. This can link to the legal influences on data protection, employment law and consumer protection.

Links

Other units	This unit builds on some of the ideas introduced in *Unit 2: Investigating Business*; *Unit 3: Investigating Marketing* and *Unit 4: Investigating Electronic Business*.
Industry	Learners should draw on their own work experience wherever possible.
	Learners could visit or interview managers from a large business.

Resources

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Textbooks

Bell A C — *Nutshells Employment Law, Third Revised Edition* (Sweet & Maxwell, 2006) ISBN 0421927801

Davies C et al — *Applied Business A2 for Edexcel Student's Book* (Collins Educational, 2006) ISBN 0007200412

Dransfield R and Needham D — *A2 GCE Applied Business: Edexcel* (Heinemann, 2006) ISBN 0435352903

Evans-Pritchard J et al — *A2 Level Applied Business for Edexcel* (Causeway Press, 2006) Single and Double Award ISBN 1405821167

Gillespie A — *Business in Action* (Hodder & Stoughton, 2002) ISBN 0340848200

Hall D et al — *Business Studies* (Causeway Press, 1999) ISBN 1873929900

Hornby B — *Business Economics, Second Edition* (FT Prentice-Hall, 2001) ISBN 0273646036

Jewell B — *An Integrated Approach to Business Studies: Learner's Book* (Longman, 2000) ISBN 0582405424

Lipsey R — *Principles of Economics* (Oxford University Press, 1999) ISBN 0198775881

Marchand et al — *Mastering Information Management* (FT Prentice-Hall, 1999) ISBN 0273643525

Marcouse I et al — *Business Studies, Third Edition* (Hodder Arnold, 2008) ISBN 0340966904

Smith and Keenan — *Advanced Business Law, Eleventh Edition* (FT Prentice-Hall, 2000) ISBN 027364601X

Websites	www.bbc.co.uk	BBC website — useful material on environmental influences — see Environment Report.
	www.berr.gov.uk	Department for Business & Enterprise Regulatory Reform.
	www2.bitc.org.uk	Business in the community.
	www.bized.co.uk	Provides case studies for educational purposes.
	www.cabinetoffice.gov.uk/strategy	Includes 27/11/02 report from the government strategy unit entitled *Focus on waste reduction and waste recycling.*
	www.defra.gov.uk	Department for Environment Food and Rural Affairs.
	www.environment-agency.gov.uk/	Environment Agency business.
	www.foi.gov.uk	Department for Constitutional Affairs.
	www.ico.gov.uk	Information Commissioner's Office — issues surrounding data protection.
	www.lawtel.com	Lawtel online legal information service.
	www.legislation.org.uk	Good summary of Data Protection Act.
	www.lexisnexis.com	Lexis-Nexis online legal and business information service.
	www.oft.gov.uk	Office of Fair Trading.
	www.peoplemanagement.co.uk	Online magazine of Chartered Institute of Personnel Development.
	www.thetimes100.co.uk	*The Times* online.
	www.tradingstandards.gov.uk	Trading Standards Central — useful summary of main consumer legislation.
	www.vts.intute.ac.uk	Virtual training.
	www.wastewatch.org.uk	Promotes waste reduction and recycling.

Annual reports are available on all company websites or via Bized.

Other resources

- *The Times* 100 case studies, available in hard copy and online (see website address on previous page) include a number of case studies relating to environmental issues. These form a useful basis for a variety of classroom activities.

- Magazines such as:

  – *Business Review*

  – *The Economist*

  – *The New Law Journal*

  – *The Modern Law Review*

  – *Harvard Business Review*

- Articles covering the influences on business can be found in quality newspapers, and learners should be encouraged to read a quality newspaper regularly.

Assessment information

Assessment Objectives (AO) and weightings

There are four Assessment Objectives for GCEs in Applied Business. They detail the knowledge, skills and understanding that learners are required to demonstrate.

For this qualification, the weightings for each Assessment Objective are given below.

Assessment Objectives		Weighting		
		AS	**A2**	**Advanced Subsidiary GCE and Advanced GCE (Double Award)**
AO1	**Knowledge, skills and understanding** Learners demonstrate knowledge and understanding of the specified content and relevant business skills.	30-40%	20-30%	25-35%
AO2	**Application of knowledge, skills and understanding** Learners apply knowledge and understanding of the specified content and relevant business skills	25-35%	25-35%	25-35%
AO3	**Research and analysis** Learners use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.	15-25%	15-25%	15-25%
AO4	**Evaluation** Learners evaluate evidence to reach reasoned judgements.	10-20%	20-30%	15-25%

Relationship of Assessment Objectives to units

Unit	AO1	AO2	AO3	AO4
1: Investigating People at Work*	30-40%	25-35%	15-25%	10-20%
2: Investigating Business	35%	30%	20%	15%
3: Investigating Marketing	35%	30%	20%	15%
4: Investigating Electronic Business	35%	30%	20%	15%
5: Investigating Customer Service	35%	30%	20%	15%
6: Investigating Promotion*	30-40%	25-35%	15-25%	10-20%
7: Investigating Enterprise	35%	30%	20%	15%
8: Business Development*	20-30%	25-35%	15-25%	20-30%
9: Managing and Developing People	25%	30%	20%	25%
10: Marketing Decisions*	20-30%	25-35%	15-25%	20-30%
11: Impact of Finance on Business Decisions	25%	30%	20%	25%
12: International Dimensions of Business	25%	30%	20%	25%
13: Organising an Event	25%	30%	20%	25%
14: External Influences on Business	25%	30%	20%	25%

*A range of weightings for each Assessment Objective is given for the externally assessed unit.

External assessment

The following **AS** units will be externally assessed:

- **Unit 1: Investigating People at Work**
  A 1 hour and 30 minute written examination consisting of short- and long-answer questions relating to business scenarios given in the paper and actual businesses studied during the delivery of the unit.

  The assessment for this unit will be available to learners in the January and June examination series.

- **Unit 6: Investigating Promotion**
  A 1 hour and 30 minute written examination consisting of short- and longer-answer questions relating to business scenarios given in the paper or real business situations.

  The assessment for this unit will be available to learners in the January and June examination series.

The following **A2** units will be externally assessed:

- **Unit 8: Business Development**
  This synoptic unit will be examined by means of a externally set assignment, whereby learners will be set tasks to complete under set conditions relating to a given scenario. The assessment for this unit will be available to learners in the June examination series.

- **Unit 10: Marketing Decisions**
  A 1 hour 30 minute written examination consisting of short- and long-answer questions relating to business scenarios given in the paper or real business situations.

  The assessment for this unit will be available to learners in the January and June examination series.

Internal assessment

Supervision of learners and authentication of work submitted

Learners must submit a portfolio of work for each internally assessed unit. Teachers are expected to guide and advise learners on the production of their portfolios. Teachers should monitor progress to ensure that the work is appropriate for the requirements of the specification. The GCSE, GCE, and GNVQ Code of Practice requires that assessors record full details of the nature of any assistance given to individual learners beyond that of the teaching group as a whole, but within the parameters laid down in this specification. The level of assistance should be taken into account when assessing learners' work; this is indicated in the 'Delivering this unit' section that accompanies each internally assessed unit in this specification. In addition, sufficient work must take place under direct supervision to allow the teacher marking the work to authenticate each learner's work with confidence.

If learners' practical skills are being assessed it is important that witness statements/checklists are completed by assessors to authenticate learner work and provide evidence that learners have achieved the level of performance required in the assessment criteria grid.

Observation records will be found in the separately published Teacher's Guide, together with the mark sheets which must be used for recording learners' grades for each unit.

Applying the mark bands

Portfolios will be marked by the centre, and externally moderated by Edexcel. Each of the internally assessed units has an assessment criteria grid, divided into three broad mark bands, showing how to award marks in relation to the task and the assessment objectives. The assessment criteria grids indicate the required assessment outcomes as well as the quality of the outcomes needed for achievement in each of the mark bands. In general terms, progression across the bands is characterised as follows.

- The assessment criteria grid shows the allocation of marks by assessment criterion and by mark band. This grid should be used to determine marks for learner achievement in each unit. Learners can achieve marks in different bands for each assessment objective. The total mark achieved will depend on the extent to which the learner has met the assessment criteria overall.

- Within each assessment criterion, it is a general principle that shortcomings in some aspects of the assessment requirements may be balanced by better performance in others. However, it is also important to note that for full marks in any particular assessment criterion, all the requirements should have been met.

- Marks should be awarded according to the criteria for each strand set out in the assessment criteria grid, and assessors should apply their professional judgement where relevant. The *Assessment Guidance* section in each unit gives specific details of how marks should be allocated.

- There should be no reluctance to use the full mark range and, if warranted, assessors should award maximum marks. Learners' responses should be considered positively. A mark of 0 should be awarded only where the learner's work does not meet any of the required criteria.

- All learners are entitled to initial guidance in planning their work, but the level of assistance required should be taken into account when their work is assessed. In the assessment criteria grids, reference is made to learners working with 'some support and guidance', with 'limited guidance' and 'independently'. When marking the work, assessors should follow the guidelines below.

    - '*Some support and guidance*': the learner has to be guided and advised throughout to ensure that progress is made. The learner relies on the support of the teacher, who has to assist in most aspects of the work. This level of support restricts the learner's mark to band 1, irrespective of the quality of the outcomes

- *'Limited guidance'*: the teacher supports the learner in the choice of topic for investigation. From then on, the teacher reacts to questions from the learner and suggests a range of ideas that the learner acts upon. The learner frequently checks matters of detail. The teacher needs to assist in some aspects of the work. This level of support restricts the learner's mark to bands 1 or 2, irrespective of the quality of the outcomes

- *'Independently'*: the teacher supports the learner in the choice of topic for the investigation or task. From then on, the teacher occasionally helps the learner, and only when asked, but monitors progress throughout. This level of support gives access to all three mark bands.

- For internal record-keeping purposes, centres may wish to make a copy of the assessment criteria grid for each learner and use it to record the mark for that unit. The GCSE, GCE, GNVQ Code of Practice requires assessors to show clearly how credit has been assigned.

Differentiation across AS and A2 units

Differentiation across AS and A2 units is characterised in general terms by:

- increasing depth and breath of understanding

- increasing application of knowledge and understanding and skills

- increasing analysis, synthesis and evaluation

- increasing independence.

There is also differentiation through the content of the units. AS unit content forms the foundation of knowledge and understanding which underpins the higher-level concepts found in the A2 units.

Synoptic assessment

Synoptic assessment occurs at A2 in *Unit 8: Business Development*. It is designed to link concepts, skills, knowledge and understanding across the entire course. The synoptic unit is externally assessed by derogated external assessment.

Standardisation and moderation

Where marking for a unit has been carried out by more than one assessor in a centre, there must be a process of internal standardisation to ensure that there is consistent application of the criteria laid down in the assessment criteria grids.

Marks awarded by the centre will be subject to external moderation by Edexcel. This is to ensure consistency with national standards. A sample of learner portfolios will be examined, and marks will be adjusted where they are found to vary from the national standard. If the moderation process reveals an inconsistent application of the assessment criteria by centre assessors. Edexcel reserves the right to return the sample work in order for internal standardisation to be carried out.

Language of assessment

Assessment for this qualification will be available in English only. Assessment materials will be published in English only and all written and spoken work submitted for examination and moderation must be produced in English.

Statutory requirements

All assessment of this qualification will be carried out in accordance with the GCSE, GCE and GNVQ Code of Practice, published annually by the regulatory authorities.

Grading information

Mark bands

The assessments are designed to allow learners to demonstrate positive achievement and to have a positive experience in completing each assessment.

In line with the above, the criteria for assessing each assignment have been written so that a learner working at the lower end of the GCE ability range should be capable of meeting approximately 80 per cent of the band 1 criteria. This equates to approximately 40 per cent of the total credit available for the assignment.

Grading, aggregation and equivalence

The overall grade for:

- Advanced Subsidiary (Single Award) qualifications will be graded on a five-grade scale from A to E where A is the highest grade.

- Advanced Subsidiary (Double Award) qualifications will be graded on a nine-grade scale AA to EE, where AA is the highest grade.

- Advanced GCE (Single Award) qualifications will be graded on a six-grade scale from A* to E where A* is the highest grade.

- Advance GCE with Advanced Subsidiary Additional qualifications will be graded on a 10-grade scale from A*A to EE where A*A is the highest grade.

- Advanced GCE (Double Award) qualifications will be graded on an 11-grade scale A*A* to EE, where A*A* is the highest grade.

The mark bands used for internal assessment do not relate to pre-determined grade boundaries. Following each examination and moderation series, Edexcel will set the grade boundaries for internally and externally assessed units at an awarding meeting.

The raw mark boundaries will be converted to uniform marks on a scale of 0–100. The final grade for the qualification will be determined by aggregating the uniform marks for the units. The table below gives details of the uniform mark scales (UMS) used for the units and for the qualifications.

In Advanced Double Award, to gain Grade A*A* candidates must gain Grade AA on the qualification overall and at least 90% of the maximum uniform mark on the aggregate of the six A2 units. To gain A*A, candidates must gain Grade AA on the qualification overall and at least 90% of the maximum uniform mark on the aggregate of the three best A2 units.

In Advanced with AS Additional, to gain Grade A*A candidates must gain Grade AA on the qualification overall and at least 90% of the maximum uniform mark on the aggregate of the three A2 units.

Unit results

The minimum uniform marks required for each grade:

Unit grade	A	B	C	D	E
Maximum uniform mark = 100	80	70	60	50	40

Candidates who do not achieve the standard required for a grade E will receive a uniform mark in the range 0–39.

Qualification results

Advanced Subsidiary (Single Award)

The minimum uniform marks required for each grade:

Qualification grade	A	B	C	D	E
Maximum uniform mark = 300	240	210	180	150	120

Candidates who do not achieve the standard required for a grade E will receive a uniform mark in the range 0–119.

Advanced GCE (Single Award)

The minimum uniform marks required for each grade:

Qualification grade	A	B	C	D	E
Maximum uniform mark = 600	480	420	360	300	240

Candidates who do not achieve the standard required for a grade E will receive a uniform mark in the range 0–239.

Advanced Subsidiary (Double Award)

The minimum uniform marks required for each grade:

Qualification grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
Maximum uniform mark = 600	480	450	420	390	360	330	300	270	240

Candidates who do not achieve the standard required for a grade EE will receive a uniform mark in the range 0–239.

Advanced GCE with Advanced Subsidiary Additional

The minimum uniform marks required for each grade:

Qualification grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
Maximum uniform mark = 900	720	690	630	600	540	510	450	420	360

Candidates who do not achieve the standard required for a grade EE will receive a uniform mark in the range 0–359.

Advanced GCE (Double Award)

The minimum uniform marks required for each grade:

Qualification grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
Maximum uniform mark = 1200	**960**	**900**	**840**	**780**	**720**	**660**	**600**	**540**	**480**

Candidates who do not achieve the standard required for a grade EE will receive a uniform mark in the range 0–479.

Performance descriptions

Performance descriptions for this subject are given in *Appendix D*.

Additional information

Learner entry

Details of how to enter learners for this qualification can be found in Edexcel's *Information Manual* produced each year, a copy is sent to all Examinations Officers. The information can also be found on our website (www.edexcel.com).

Resitting of units

There is no restriction on the number of times a unit may be attempted before claiming certification for the qualification. The best available result for each unit will count towards the final grade.

Results of units will be held in Edexcel's unit bank for as many years as this qualification remains available. Once the Advanced Subsidiary or Advanced GCE qualification has been certificated, all unit results are deemed to be used up at that level. These results cannot be used again towards a further award of the same qualification at the same level, but unit results remain available for any other qualifications available in this specification.

Access arrangements and special requirements

Edexcel's policy on access arrangements and special considerations for GCE, GCSE, and Entry Level aims to enhance access to the qualifications for learners with disabilities and other difficulties (as defined by the Disability Discrimination Act 1995 and the amendments to the Act) without compromising the assessment of skills, knowledge, understanding or competence.

Please see the Edexcel website (www.edexcel.com) for:

- the JCQ policy Access Arrangements and Special Considerations, Regulations and Guidance Relating to students who are Eligible for Adjustments in Examinations

- the forms to submit for requests for access arrangements and special considerations

- dates for submission of the forms.

Requests for access arrangements and special considerations must be addressed to:

Special Requirements
Edexcel
One90 High Holborn
London WC1V 7BH

Disability Discrimination Act (DDA)

Please see the Edexcel website (www.edexcel.com) for information with regard to the Disability Discrimination Act.

Quality of Written Communication (QWC)

Learners will be assessed on their ability to:

i) ensure that text is legible and that spelling, grammar and punctuation are accurate so that meaning is clear

ii) select and use a form of writing appropriate to the purpose and to complex subject matter

iii) organise information clearly and coherently, using specialist vocabulary when appropriate.

Stretch and challenge

Learners can be stretched and challenged in all units through the use of different assessment strategies, for example:

- using a variety of stems in questions — for example analyse, evaluate, discuss, compare

- ensuring connectivity between sections of questions

- a requirement for extended writing

- use of a wider range of question types to address different skills — for example open-ended questions, case studies etc.

Malpractice and plagiarism

For up-to-date advice on malpractice and plagiarism, please refer to the Joint Council for Qualifications *Suspected Malpractice in Examinations: Policies and Procedures* document on the JCQ website www.jcq.org.uk

Learner recruitment

Edexcel's access policy concerning recruitment to our qualifications is that:

- they must be available to anyone who is capable of reaching the required standard

- they must be free from barriers that restrict access and progression

- equal opportunities exist for all learners.

The wider curriculum

Key skills

This qualification gives opportunities for developing and generating evidence for assessing the key skills listed below:

- application of number

- communication

- information and communication technology

- improving own learning and performance

- problem solving

- working with others.

Appendix A maps the opportunities available at Level 3. Where appropriate, these opportunities should be directly cross-referenced, at specified level(s), to the criteria listed in Part B of the key skills specifications.

Spiritual, moral, ethical, social, cultural (SMESC) and other wider curriculum links

This qualification gives opportunities for developing an understanding of spiritual, moral, ethical, social and cultural issues, together with an awareness of environmental issues, health and safety considerations, and European initiatives consistent with relevant international agreements appropriate for the business sector. *Appendix C: Wider curriculum* maps the opportunities available.

Resources, support and training

Edexcel publications

You can order further copies of the Specification, Sample Assessment Materials (SAMs) and Teacher's Guide documents from:

Edexcel Publications
Adamsway
Mansfield
Nottinghamshire NG18 4FN

Telephone: 01623 467467
Fax: 01623 450481
Email: publication.orders@edexcel.com
Website: www.edexcel.com

Endorsed resources

Edexcel also endorses some additional materials written to support this qualification. Any resources bearing the Edexcel logo have been through a quality assurance process to ensure complete and accurate support for the specification. For up-to-date information about endorsed resources, please visit www.edexcel.com/endorsed.

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

Edexcel support services

Edexcel has a wide range of support services to help you implement this qualification successfully.

ResultsPlus — ResultsPlus is an application launched by Edexcel to help subject teachers, senior management teams, and students by providing detailed analysis of examination performance. Reports that compare performance between subjects, classes, your centre and similar centres can be generated in 'one-click'. Skills maps that show performance according to the specification topic being tested are available for some subjects. For further information about which subjects will be analysed through ResultsPlus, and for information on how to access and use the service, please visit www.edexcel.com/resultsplus.

Ask the Expert — Ask the Expert is a new service, launched in 2007, that provides direct email access to senior subject specialists who will be able to answer any questions you might have about this or any other specification. All of our specialists are senior examiners, moderators or verifiers and they will answer your email personally. You can read a biography for all of them and learn more about this unique service on our website at www.edexcel.com/asktheexpert.

Ask Edexcel — Ask Edexcel is Edexcel's online question and answer service. You can access it at www.edexcel.com/ask or by going to the main website and selecting the Ask Edexcel menu item on the left.

The service allows you to search through a database of thousands of questions and answers on everything Edexcel offers. If you don't find an answer to your question, you can choose to submit it straight to us. One of our customer services team will log your query, find an answer and send it to you. They'll also consider adding it to the database if appropriate. This way the volume of helpful information that can be accessed via the service is growing all the time.

Appendices

Appendix A: Key skills mapping

Key skills (Level 3)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	Unit 11	Unit 12	Unit 13	Unit 14
Application of number														
N3.1	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	
N3.2	✓	✓		✓		✓		✓		✓	✓	✓	✓	
N3.3	✓	✓	✓	✓		✓		✓			✓	✓	✓	
Communication														
C3.1a	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		✓
C3.1b	✓	✓		✓				✓	✓			✓	✓	✓
C3.2	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓
C3.3	✓	✓	✓	✓					✓		✓	✓		✓
Information and communication technology														
ICT3.1	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
ICT3.2	✓	✓		✓				✓	✓		✓	✓	✓	
ICT3.3	✓	✓	✓					✓	✓		✓	✓	✓	✓

Key skills (Level 3)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	Unit 11	Unit 12	Unit 13	Unit 14
Improving own learning and performance														
LP3.1	✓	✓	✓	✓	✓		✓		✓		✓	✓	✓	
LP3.2	✓	✓	✓	✓	✓		✓		✓		✓	✓	✓	
LP3.3	✓	✓		✓	✓		✓		✓		✓	✓	✓	
Problem solving														
PS3.1	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓
PS3.2	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓
PS3.3	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓
Working with others														
WO3.1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
WO3.2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
WO3.3	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		

Appendix B: Key skills development suggestions

Application of number – Level 3

Plan and carry out one or more activities, each one of which should include task for N3.1, N3.2 (a or b or c or d) and N.3.

Overall, through one or more activities learners must:

- use two different types of sources, including a large data set, ie over 50 items of data (N3.1)
- carry out calculations to do with a, b, c and d (N3.2)
- present findings in two different ways using charts, graphs or diagrams (N3.3).

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
N3.1 Plan an activity and get relevant information from relevant sources.	Unit 1	Unit 1 lends itself to planning activities, for example planning a labour force survey for two businesses, with reference to, eg interview procedures, numbers, skills, training.
	Unit 2	In this unit, learners are assessed on their ability to produce appropriate business planning. This consists of a report on planning the setting up of a small business, with reference to, eg legal, financial and organisational issues.
	Unit 3	Learners are required to carry out research to collect marketing research on chosen products and target groups.
	Unit 4	Learners need to understand the requirements for the planning of a new website in 4.4. The costs involved in this exercise could include alternative software from different outlets, consultant fees for designing and or designing an updating.
	Unit 6	When looking at costs as a constraint on promotion and assessing a promotional campaign.
	Unit 7	When looking at costs in launching a company, monitoring performance and the financial implications of winding up a company.
	Unit 8	When considering what gives rise to the business idea in 8.1.
	Unit 10	When considering marketing decisions and the planning process and how business objectives fit in with these in 10.2.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
	Unit 11	In 11.3 and 11.4 learners consider how businesses plan their investments into equipment and other companies.
	Unit 12	In 12.2 learners consider incentives provided by the parent country to set up and trade in the host country.
		In 12.3 learners consider the existence of EU and its rules and regulation including membership of the Single Currency, budgets, GDP figures as well as research around trade, subsidies, and taxes in member countries.
	Unit 13	In 13.1 learners look at the feasibility of a project drawing on interpretation of complex financial information.
N3.2 Use this information to carry out multi-stage calculations to do with: a amounts or sizes b scales or proportion c handling statistics d using formulae.	Unit 1	Learners need to carry out accurate calculations and check their methods used and results obtained, eg deriving labour force numbers from government statistics and information obtained directly from local businesses, using formulae such as central tendency (eg mean and median wage) and labour turnover.
	Unit 2	Calculations likely to be carried out by learners include: • the amount and cost of finance • expected production volumes • proportion of loan and other forms of start-up capital • break-even figures.
	Unit 4	In 4.4 learners will cover handling statistics for the data collection stage and the formulae for the calculation of the costs. Scales and proportions could be covered in the actual design of the web pages by looking at the layout front page.
	Unit 6	In 6.4 considering costs when assessing a promotional campaign.
	Unit 8	In 8.3 finances for the business are needed. Calculations will be used for start up, forecasts for cash flow and breakeven and projected profit and loss account and balance sheet.
	Unit 10	In 10.2 when carrying out calculations for pricing strategy as part of the planning process.
	Unit 11	There is potential throughout the unit for calculations.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
	Unit 12	In 12.2 learners consider incentives provided by the parent country to set up and trade in the host country.
		In 12.3 learners look at the existence of the EU and its rules and regulation including membership of the Single Currency, budgets and GDP figures as well as research around trade, subsidies, and taxes in member countries.
	Unit 13	In 13.1 learners consider the feasibility of a project drawing on interpretation of complex financial information – this is likely to deal with amounts or sizes.
N3.3 Interpret the results of your calculations, present your findings and justify your methods.	Unit 1	Learners must select appropriate presentational methods, and justify their choice, eg presenting inter-firm analysis comparing labour statistics, using pie charts and line graphs.
	Unit 2	Learners are required to produce a number of related reports in this unit, for example on business management and finance, and on supporting software. There will be opportunities to critically appraise the content, construction and completeness of these reports.
	Unit 3	Some evidence can be generated form the statistical analysis of the marketing research and questionnaires and the subsequent proposals made for the marketing mix and strategy and how they are related to the research.
	Unit 4	This is an elementary part of 4.4. The justification of the methods used could add further validity to the cost figures.
	Unit 6	6.4 requires evaluation of costs of a promotional campaign.
	Unit 8	8.4 looks at the feasibility and evaluation of the business plan.
	Unit 11	The unit requires evaluation of projects and investment.
	Unit 12	In 12.2 learners consider incentives provided by the parent country to set up and trade in the host country.
		In 12.3 learners consider the existence of EU and its rules and regulation including membership of the Single Currency, budgets, GDP figures as well as research around trade, subsidies, and taxes in member countries.
	Unit 13	In 13.1 and 13.4 learners consider the feasibility of a project drawing on interpretation of complex financial information – this will be seen in the project presentation.

Communication – Level 3

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
C3.1a Take part in a group discussion.	Unit 1	Throughout their research, learners will be in a position to take part in group discussions, for example on: • different objectives and structures of local businesses • the varying roles of different departments in these local businesses.
	Unit 2	Learner discussions could involve considering the nature of, and difference in, the assets and liabilities of different businesses.
	Unit 4	Learners could share resources/research found around legislation. Discussions could be set around which laws are most relevant and why, eg which ones apply to different types of business.
	Unit 6	When discussing, eg promotional tools and media tools.
	Unit 7	When discussing entrepreneurs and their skills.
	Unit 8	When discussing business ideas.
	Unit 9	When carrying out group discussions on the preparation and prioritising for drawing up an effective personal development plan (assessment evidence (d)). Taking part in the group activity meetings (assessment evidence (b)).
	Unit 10	When discussing influences on marketing decisions and the planning process.
	Unit 12	Learners could share resources/research in a given area.
		Discussions should be set around, eg multi-national organisations, which have a detrimental effect on the social/cultural dynamics of a country in which they operate, or multi-national organisations which have helped local communities in many countries to rise above the poverty they had previously experienced.
	Unit 14	There are many opportunities in this unit. Learners could discuss the reasons for the introduction of the legislation studied in the unit, whether it is necessary or right for governments to introduce environmental legislation, the effects of the expansion of the EU etc.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
C3.1b Make a formal presentation of at least eight minutes using an image or other support material.	Unit 1	Learners could be given the opportunity to present their research findings to the rest of the group. Presentation topics could include the importance and contribution of different departments to the objectives of businesses being researched and/or how different businesses give differing priority to objectives.
	Unit 2	A formal presentation could be made of company financial statistics, displayed using various charts and graphs.
	Unit 4	Any of 4.1, 4.2, 4.3 or 4.4 could be assessed with the accompaniment of a presentation, especially 4.4, presenting a brief for a new website.
	Unit 5	The assessment method for this unit provides an opportunity for learners to create a presentation about a complex subject using at least one image to illustrate complex points.
	Unit 8	Learners could make presentations of the business idea and financial resources.
	Unit 9	In assessment evidence (b) learners may give a presentation on a group activity in which they have taken part to plan an event or develop a new system or procedure. In assessment evidence (d) learners may give a presentation on and rationale behind individual personal development plan.
	Unit 12	Any of 12.1, 12.2, 12.3 or 12.4 could be assessed with the accompaniment of a presentation.
	Unit 13	The assessment evidence for the unit consists of a presentation.
	Unit 14	Any of the topics covered in the group discussion could equally be made the subject of a presentation.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
C3.2 Read and synthesise information from at least **two** documents about the same subject. Each document must be a minimum of 1000 words long.	Unit 1	This unit lends itself to the study of business documentation, eg published business reports and local newspaper articles on business objectives, structure and performance.
	Unit 2	In this unit, learners study business finance, and therefore should consider documents such as company annual reports, outlining the nature and content of profit and loss accounts, balance sheets and cash flow statements. Such information can be extracted, simplified and synthesised.
	Unit 4	In 4.3 learners consider the factors influencing the establishment of an online presence include relevant legislation. They will need to investigate this from a variety of sources to enable them to understand the scope within which the business website can operate, eg Data Protection Act 1998, copyright laws, patents etc.
	Unit 6	In 6.2 when evaluating promotional media.
	Unit 7	In 7.1 and 7.2 when exploring launching a company and the documents needed and communication to company officers.
	Unit 8	When researching the business idea.
	Unit 9	When researching and comparing the theories of motivational theorists as background research for completion of assessment evidence (a).
	Unit 10	When reviewing training materials obtained to support 9.4 and 9.5 assessment evidence (c).
	Unit 11	When reviewing marketing research in 10.3.
	Unit 12	When reading company reports.
		In 12.1 learners investigate a range of businesses with an international presence, analyse the factors for this business having an international presence, explore the dynamics of membership of international organisations on their chosen business in a globally competitive environment and evaluate/explore the growth and influence of multi national operations.
		The whole of this unit should be covered with a variety of material from different sources to gain a balanced view of the businesses and how they are viewed by different 'bodies' in relation to market share, profits, recruitment policy in different countries as well as the home country.
	Unit 14	Learners should read two articles discussing environmental issues and apply relevant points to business studied for their report.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
C3.3 Write **two** different types of documents, each one giving different information about complex subjects. One document must be at least 1000 words long.	Unit 1	Topics for these documents could include: • a report on how a local business deals with legal, ethical or other issues, accompanied by a document outlining relevant legislation • a report on self-regulation undertaken by a local business, accompanied by a document outlining how legislation influences other key business activities.
	Unit 2	The assessment for this unit requires learners to create relevant business reports. Other documents, such as how a business uses the internet for e-commerce, can also support learning in this unit.
	Unit 3	The final document/report would form the basis of one of these documents, on the assumption that there was some detailed analysis of the marketing research and that marketing decisions are clearly referenced to the analysis.
	Unit 4	A PowerPoint presentation and a report to cover the assessment objectives, especially (d) where learners are required to give a presentation on a plan for the construction of a new website.
	Unit 9	In the assessment evidence, learners are required to produce reports of, for example: • a report of a team meeting, the first document being minutes or notes of the meeting with action points, to be distributed amongst team members, the second a report to management on issues that have been raised, progress and request for resources or action • a hypothetical training scheme, the first document being a letter, leaflet or notice explaining to employees how the training scheme works, the second minutes of meeting or a report for senior management on the reasons for and expected impact of the incentive scheme.
	Unit 11	Learners are required to complete reports on accessing working capital based on final accounts, and on evaluation of two proposed projects.
	Unit 12	A PowerPoint presentation and a report to cover the assessment objectives.
	Unit 14	Learners are required to write a report in the form of a chairman's statement which automatically provides a different type of document from the conventional assignment required elsewhere.

Use at least one image, **either** to obtain information, **or** to convey information in one of the documents you write.

Information and communication technology – Level 3

Show that learners can **plan** and carry through a number of different tasks, one of which must be a major task covering ICT3.1, ICT3.2 and ICT3.3.

Each component, ICT3.1, ICT3.2 and ICT3.3, must be covered at least twice, and ICT3.3 must be covered for at least two different audiences. Smaller tasks may be used to ensure each component is covered.

Overall, through at least two activities learners must:

- include at least one ICT-based information source
- include at least one non-ICT-based information source
- use at least one example of text, one example of image and one example of number
- use one example of combined information such as text and number, or image and number or text and image
- present evidence of purposeful use of email; one of these emails must have an attachment related to the task.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
ICT3.1 Search for information, using different sources, and multiple search criteria in at least one case.	Unit 1	Information can be searched electronically, for example information on relevant organisations and nationally recognised training providers such as IiP, pressure groups and trade unions.
	Unit 2	In this unit, business financial information can be searched for, for example company final accounts on the internet.
	Unit 3	Collection of evidence for secondary research using a range of internet-based resources.
	Unit 4	This would include websites being explored for design, information content for businesses being investigated or researched.
		Specific searches for recommended websites for design elements.
	Unit 5	The nature of the unit and assessment evidence will provide learners with the opportunity to search for information using different sources and multiple search criteria in at least one case. (ICT3 .1).
	Unit 7	Collection of evidence on entrepreneurs.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
	Unit 8	Collection of evidence for business plan.
	Unit 9	An investigation into a financial incentive scheme, eg a profit-related bonus scheme or commission, could include internet research.
	Unit 11	Searching for information from company accounts.
	Unit 12	Website for businesses being investigated or researched.
	Unit 13	Searches for international bodies, eg EU, WTO or a government department like the DTI. Research into feasibility of the project may require internet research.
	Unit 14	Extensive internet research will be required for this unit.
ICT3.2 Enter and develop the information and derive new information.	Unit 1	The information obtained can be entered into a database and organised, for example, by business type, sector and size.
	Unit 2	Learners can use spreadsheets to construct, calculate, summarise and compare key accounting ratios.
	Unit 3	The development of target groups and product profiles from the research could form the basis of this evidence.
	Unit 4	This could be used for PPP, used for figures in analysis to make comparisons, or in the report write-up process.
	Unit 8	Information will be manipulated.
	Unit 9	Spreadsheet to demonstrate how the incentive scheme works for one individual within the organisation and opportunities for 'what if' scenarios.
	Unit 11	Information will be manipulated.
	Unit 12	This could be used for PPP, used for figures in analysis to make comparisons, or in the report write-up process.
	Unit 13	In 13.2, and13.3 information gleaned will be manipulated and monitored.

Key skill portfolio evidence requirement		AS/A2 units	Opportunities for development or internal assessment
ICT3.3	Present combined information such as text with image, text with number or image with number.	Unit 1	Database records can be presented in varying formats, and spreadsheet summaries of relevant statistics can also be presented.
		Unit 2	Business financial information can be presented in the form of a report, based on the new information derived from the spreadsheet calculations.
		Unit 3	Information used for presentation and text-based assessment will provide opportunity for this element.
		Unit 8	Spreadsheets will be used.
		Unit 9	Word-processed report, PowerPoint presentation targeted at two different audiences — staff and management.
		Unit 11	Spreadsheets will be used.
		Unit 12	This could be used for PPP, used for figures in analysis to make comparisons, or in the report write-up process.
		Unit 13	The unit requires a presentation.
		Unit 14	A report must be produced using IT and incorporating images.

Improving own learning and performance – Level 3

Provide at least **one** example of meeting the standard for LP3.1, LP3.2 and LP3.3 (the example should cover at least three targets). Overall, learners must show they can use at least **two** different ways of learning to improve their performance.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
LP3.1 Set targets using information from appropriate people and plan how these will be met.	Unit 1	Targets can be set to discover information about businesses in the local area. These targets, together with their associated action plans and deadlines, can be derived by, eg interviewing local business people.
	Unit 2	Learners will plan how they will meet targets associated with their coursework reports. This will include negotiating and setting deadlines, and agreeing a tutorial programme.
	Unit 3	Learners should carry out action planning for this unit and the separate research and analysis evidence will provide opportunities for this element.
	Unit 4	These could be targets set by the teacher for an assignment which has been developed around the specification. Each task could have a deadline, which begins the process for feedback, amendments and further feedback prior to grading.
	Unit 5	Learners will plan to meet their target dates.
	Unit 7	Action planning for the unit, including research, will be necessary.
	Unit 9	In assessment evidence (d), when producing the personal development plan.
	Unit 11	Targets, action plans and deadlines will be essential for successful completion of the unit.
	Unit 12	These could be targets set by the teacher for an assignment which has been developed around the specification. Each task could have a deadline, which begins the process for feedback, amendments and further feedback prior to grading.
	Unit 13	In 13.1 learners consider the feasibility of a project, drawing on interpretation of information and considering alternative options.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
LP3.2 Take responsibility for your learning, using your plan, to help meet targets and improve your performance.	Unit 1	Learners can take responsibility for their own learning through the targeting of tasks, for example by arranging interviews and recording the results.
	Unit 2	Learners will need to manage their time efficiently, for example by prioritising their tasks and working arrangements. This will involve, eg changing the targets and/or plan if certain financial or other information is not obtainable.
	Unit 3	When action planning for the unit, the separate research and analysis evidence will also provide opportunities for this element.
	Unit 4	Given they have their action plan with activities that need to be completed by the deadline given, how well a learner is able to take this advice will, in essence, be determined by the quality of the next draft.
	Unit 5	Time management and prioritisation will be necessary.
	Unit 7	Action planning will be relevant.
	Unit 9	Preparation and own performance for assessment evidence (c) — drawing up materials for and carrying out discussion with two business individuals.
	Unit 11	Time management skills will be utilised.
	Unit 12	Given they have their action plan with activities that need to be completed by the deadline given, how well a learner is able to take this advice will in essence be determined by the quality of the next draft.
	Unit 13	In 13.3 when monitoring the project.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
LP3.3 Review progress and establish evidence of your achievements.	Unit 1	Progress tutorial reviews for these targets can consider how the learners went about obtaining the information, and what they have learned.
	Unit 2	Learners will have the opportunity to identify, for example in tutorials, the extent to which they have met their set targets, and any action required to improve their own performance.
	Unit 4	This could be the second or third interim tutorial taking place or the final assessment stage.
	Unit 5	Progress reviews will be necessary.
	Unit 7	Progress reviews will be necessary.
	Unit 9	Evaluation of improvement in own performance and standard of material obtained between first interview and second.
	Unit 11	Review and evaluation in the assessment evidence.
	Unit 12	This could be the second or third interim tutorial taking place or the final assessment stage.
	Unit 13	In 13.4 when reviewing and evaluating the project.

Problem solving — Level 3

Provide at least **one** example of meeting the standard for PS3.1, PS3.2 and PS3.3. The example should include exploring at least **three** different ways of tackling a problem (for PS3.1).

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
PS3.1 Explore a problem and identify different ways of tackling it.	Unit 1	Studying this unit allows learners the opportunity to explore a variety of problems, eg: • a business that is considering changing its structure, eg through delayering • a business that is experiencing difficulty recruiting staff with certain skills.
	Unit 2	Learners will have the chance to identify and explore problems related to, eg business finance and financial planning by considering the range of relevant options available to given businesses.
	Unit 4	This may revolve around any aspect of difficulty that the learner may be experiencing during the course of the unit. It may revolve around issues of relevant research, planning or being unable to access the appropriate data.
	Unit 6	When studying and assessing promotional campaigns.
	Unit 8	When problem solving — what is a good business idea and is it viable?
	Unit 9	In assessment evidence (a) learners are required to identify a motivational problem in the workplace. In assessment evidence (b), the team activity, problems may occur with leadership style, motivation, meeting deadlines, group dynamics.
	Unit 10	When considering how to plan the best marketing process.
	Unit 11	When managing working capital and best method of investment.
	Unit 12	This may revolve around any aspect of difficulty that the learner may be experiencing during the course of the unit. It may revolve around issues of relevant research, planning or being unable to access the appropriate data.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
PS3.1 cont.	Unit 13	The unit requires problem solving throughout that will be monitored and reported on in the presentation.
	Unit 14	When writing their articles for the assessment evidence, learners will need to consider what to include and omit, how to word their work and how to make the best use of images to convey information.
PS3.2 Plan and implement at least one way of solving the problem.	Unit 1	Learners can identify problems and suggest solutions, for example with reference to:
		• the likely effect on staff and location if the business is restructuring
		• possible sources for recruiting staff with certain skills.
	Unit 2	Learners can plan how to produce a financial forecast or budget, and implement the plan.
	Unit 4	This could be the task set after discussion with the teacher. Learners should come up with their own ideas of solving the problem which can then be discussed with the teacher as to the best method etc.
	Unit 6	Solutions suggested to problem presented by unit.
	Unit 8	Solutions suggested to problem presented by unit.
	Unit 9	Assessment evidence (a) when offering solutions.
		Assessment evidence (b) when offering solutions.
	Unit 10	Solutions suggested to problem presented by unit.
	Unit 11	Solutions suggested to problem presented by unit.
	Unit 12	This could be the task set after discussion with the teacher. Learners should come up with their own ideas of solving the problem which can then be discussed with the teacher as to the best method etc.
	Unit 13	The unit requires problem solving throughout that will be monitored and reported on in the presentation.
	Unit 14	Learners will need to decide on their own approach to the work.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
PS3.3 Check if the problem has been solved and review your approach to problem solving.	Unit 1	Learners will have the opportunity to appraise critically their suggested solutions, and identify strengths and/or weaknesses in their problem.
	Unit 2	Learners will be aware of how to appraise the success, or otherwise, of their planning, for example by calculating and commenting on variances.
	Unit 4	Teacher reviews, eg during a interim tutorials.
	Unit 6	Opportunities are provided in assessment for evaluation
	Unit 8	Opportunities are provided in assessment for evaluation.
	Unit 9	Assessment evidence (a) – discussion with individuals.
		Assessment evidence (b) – observation and discussion at subsequent team meetings.
	Unit 10	Opportunities are provided in assessment for evaluation.
	Unit 11	Opportunities are provided in assessment for evaluation.
	Unit 12	Teacher review situation, which could be during an interim tutorial.
	Unit 13	The unit requires problem solving throughout that will be monitored and reported on in the presentation.
	Unit 14	The final piece of work and grade received will determine whether the learner was successful in their plan for PS3.2. Learners can evaluate achievement to review approach.

Working with others — Level 3

Provide at least **one** example of meeting the standard for WO3.1, WO3.2 and WO3.3, to include work in a group or team situation. Learners must check progress on two occasions (for WO3.2).

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
WO3.1 Plan work with others.	Unit 1	Learners can work in small groups to investigate topics in Unit 1. For example, learners will be investigating businesses and employment in their local area, and can arrange to share workloads and information on, eg local business structures.
	Unit 2	Learners have the opportunity to undertake at least some of the work associated with this unit's internal assessment. For example, learners could divide up the work associated with discovering and recording information related to business planning, or how a local business manages its activities.
	Unit 3	The collection of the primary research could be an effective vehicle for this element.
	Unit 4	4.1 and 4.2 offer the real opportunities for working with others. If this method is chosen then the assignment to some extent should make this very clear to learners which tasks are group work and how they could share their ideas. Different learners could explore different businesses and bring their findings together in a discussion for sharing ideas.
	Unit 5	Some research could be undertaken in a group.
	Unit 6	Some research could be undertaken in a group.
	Unit 7	Some research could be undertaken in a group.
	Unit 8	Some research could be undertaken in a group.
	Unit 9	Assessment evidence (b), when undertaking the team activity, for planning an event.
	Unit 10	Some research could be undertaken in a group.
	Unit 11	Some research could be undertaken in a group.
	Unit 12	12.1 and 12.4 offer the real opportunities for working with others. If this method is chosen then the assignment to some extent should make this very clear to learners which tasks are group work and how they could share their ideas. Different learners could explore different businesses and bring their findings together in a discussion for sharing ideas.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
WO3.2 Seek to develop cooperation and check progress towards your agreed objectives.	Unit 1	When working towards their agreed outcomes, learners can work together, with each person taking a specific responsibility, for example, one learner could interview a local business representative, whilst the other learner records what is said.
	Unit 2	Learners will need to plan and organise their work when, eg obtaining information from which to construct their report on how software is used to support the work of a local business.
	Unit 3	When action planning for the unit; the separate research and analysis evidence will also provide opportunities for this element.
	Unit 4	The teacher should give some time in the lesson to allow learners to discuss these ideas at relevant points during the course of the unit.
	Unit 5	The group working together should allocate specific tasks to individuals.
	Unit 6	The group working together should allocate specific tasks to individuals.
	Unit 7	The group working together should allocate specific tasks to individuals.
	Unit 8	The group working together should allocate specific tasks to individuals.
	Unit 9	Assessment evidence (b) when the team activity to plan an event.
	Unit 10	The group working together should allocate specific tasks to individuals.
	Unit 11	The group working together should allocate specific tasks to individuals.
	Unit 12	The teacher should give some time in the lesson to allow learners to discuss these ideas at relevant points during the course of the unit.

Key skill portfolio evidence requirement	AS/A2 units	Opportunities for development or internal assessment
WO3.3 Review work with others and agree ways of improving collaborative work in the future.	Unit 1	The group will need to review its achievements, identifying relevant factors that have influenced them. For example, the group can consider the completeness and accuracy of the information gained through interviews.
	Unit 2	The group will need to review its achievements, identifying relevant factors that have influenced their work. For example, the group will need to review the completeness and accuracy of any financial information used when reporting on the financial management of a business.
	Unit 4	The teacher should ask for a group work plan of some form which identifies the individual tasks agreed to be undertaken and the progress made by the agreed team date. The plan should be encouraged to be reflective of the actual occurrences and any drawbacks or hurdles could then be treated as a problem solving exercise for the problem solving unit.
	Unit 5	Individuals should report back on their achievements/progress to the group.
	Unit 6	Individuals should report back on their achievements/progress to the group.
	Unit 7	Individuals should report back on their achievements/progress to the group.
	Unit 8	Individuals should report back on their achievements/progress to the group.
	Unit 9	Assessment evidence (b) when undertaking the team activity to plan an event.
	Unit 10	Individuals should report back on their achievements/progress to the group.
	Unit 11	Individuals should report back on their achievements/progress to the group.
	Unit 12	The teacher should ask for a group work plan of some form which identifies the individual tasks agreed to be undertaken and the progress made by the agreed team date. The plan should be encouraged to be reflective of the actual occurrences and any drawbacks or hurdles could then be treated as a problem solving exercise for the problem solving unit.

Appendix C: Wider curriculum

Signposting

Issue	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	Unit 11	Unit 12	Unit 13	Unit 14
Spiritual				✓					✓					✓
Moral	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Ethical	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Social	✓	✓		✓	✓			✓	✓	✓		✓		✓
Cultural	✓	✓	✓	✓		✓	✓		✓	✓		✓		✓
Citizenship				✓		✓		✓	✓	✓		✓		✓
Environment	✓	✓				✓	✓	✓	✓		✓	✓		✓
European initiatives	✓	✓		✓	✓		✓	✓	✓			✓		✓

Development suggestions

Issue	AS/A2 units	Opportunities for development
Spiritual	Unit 1	How business motivate employees and how people are influenced at work.
	Unit 9	The concept of values in terms of incentives — eg lifestyle choices — money versus job satisfaction.
Moral	Unit 1	1.2 introduces the morality of employment practices.
	Unit 1	1.4 considers how people at work are treated.
	Unit 2	2.2 and 2.3 consider issues of solvency and business behaviour.
	Unit 3	Issues around using sex, wealth, image and status to sell products.
	Unit 4	Dangers that exist alongside the opportunities created by an internet presence for business and consumers of some websites. The issue of pornography and child pornography could be explored with careful consideration and monitoring by the teacher.
	Unit 6	Moral issues concerning promotion.
	Unit 7	Morality of business ventures.
	Unit 8	Human resource practices.
	Unit 9	Value contribution of other members in team activities, recognising the effect of standards in working conditions.
	Unit 10	Issues of morality relating to the planning of a marketing campaign.
	Unit 11	Debtor and creditor management considered.
	Unit 12	Dangers that exist alongside the opportunities for business and consumers of increasing international trade, eg child labour, double standards operating in host and home countries.
	Unit 13	Discussion of morality in the practical response of a business to legal constraints in health and safety and negligence issues, as well as making contracts that are favourable to the business as opposed to the customer.
	Unit 14	Exploitation of workers both in UK and developing countries.

Issue	AS/A2 units	Opportunities for development
Ethical	Unit 1	1.1 introduces ethical issues associated with setting business aims and objectives.
		1.2 introduces the ethics of employing, training and using staff.
		1.4 considers ethical behaviour and codes of practice.
	Unit 2	2.1 introduces ethical issues associated with financial and marketing plans.
		2.3 considers the ethics associated with finance in business.
		2.4 outlines the relevance of health and safety in business.
	Unit 3	Considering customer wants and needs, target markets, market segmentation, political, economic and legal factors on the marketing mix.
	Unit 4	Ethical nature of web design with the existence of pop-ups and the opportunities that arise form advertising on the business website. How does the business view this?
	Unit 6	Ethics of promotion, especially legal constraints and voluntary codes.
	Unit 7	Ethical issues of setting business aims and monitoring company performance.
	Unit 8	Business aims and objectives and business plans.
	Unit 9	How conflict in the workplace is dealt with, health and safety, appropriateness of management styles, involvement in decision making, conflict between management and individual objectives.
	Unit 10	Ethical issues in planning and marketing.
	Unit 11	Ethical issues related to finance in business.
	Unit 12	Dangers that exist alongside the opportunities for business and consumers of increasing international trade, eg child labour, double standards operating in host and home countries.
	Unit 13	Discussion of business ethics in the practical response of a business to legal constraints in health and safety and negligence issues.
	Unit 14	Need for legislation to protect the public, eg consumer legislation, Data Protection.
		Environmental issues and need for government legislation.
		Employment legislation and exploitation of workers.
		Use of workers from developing countries.

Issue	AS/A2 units	Opportunities for development
Social	Unit 1	1.1 considers social issues related to businesses organisation and human resources.
		1.3 introduces the social value of motivating staff.
	Unit 2	2.3 introduces social issues associated with different stakeholders.
	Unit 4	Opportunities created by the internet and websites for message boarding and 'chatting', eg MSNing and the impact this has on lifestyle and family life.
	Unit 5	Identification of EU legislation will raise compliance issues in terms of customer service.
	Unit 8	Human resource issues such as motivation.
	Unit 9	Effective working in team environment, appropriate use of language and approach when carrying out business research, understanding of impact of different management styles.
	Unit 10	Social issues relating to the planning of a marketing campaign.
	Unit 12	Effects of how international business may have altered the social dynamics either economically or at family level.
		The use of protectionist policies for the benefit of the national community.
		The use of subsidies for local agricultural communities.
	Unit 14	Changes in society brought about by increased reliance on IT.
Cultural	Unit 1	1.1 introduces business organisational cultures.
		1.1 introduces how businesses are organised.
	Unit 2	2.1 introduces the enterprise culture.
		2.4 considers how information technology influences the culture of a business.
	Unit 3	Consideration of cultural factors and impact on advertising and promotional opportunities.
	Unit 4	4.3 exploration of the impact of the business website presence on customers and 'passing traffic'.
	Unit 6	Cultural impact of promotion.
	Unit 7	Enterprise culture.
	Unit 9	Women in the workplace, management styles, dress code, investigate how other societies motivate staff, eg Japan.

Issue	AS/A2 units	Opportunities for development
Cultural *continued*	Unit 10	Cultural issues relating to planning marketing campaign.
	Unit 12	Evaluate/explore the growth and influence of multi-national operations, eg impact on host country in terms of society/cultural changes.
	Unit 14	Differences between different cultures, eg within the EU, consideration of trends in the global economy.
		Cultures of new entrants to EU and impact on rest of Europe.
Citizenship	Unit 4	Citizenship and how the electronic presence of organisations such as the EU and www.gov.uk raises the awareness of internet users if and when accessed. It is also worth exploring how well these organisations are promoting citizenship themselves.
	Unit 6	Consideration of constraints on promotion, eg OFCOM, legislation, ethical considerations.
	Unit 8	Health and safety issues in the workplace.
	Unit 9	Government intervention — eg health and safety in the workplace, employment protection. Financial literacy — impact of increases in remuneration, routes for bringing about change, resolving conflict, contribute to class discussions.
	Unit 10	Citizenship issues relating to marketing campaigns.
	Unit 12	This is implicit in the working of this unit, but specifically in opportunities created by increasing international trade for the global community (global citizenship).
	Unit 14	Impact of our purchasing decisions on individuals in other countries.
		When considering whether we are citizens of the UK or Europe or both.
Environment	Unit 1	1.4 introduces environmental issues associated with the use of information technology and its work-related effects.
	Unit 2	2.4 considers the importance of a healthy and safe working environment.
	Unit 6	Environmental issues relating to promotion.
	Unit 7	Environmental issues of business.
	Unit 8	Health and safety in the workplace.
	Unit 9	Understanding company objectives/responsibilities and impact on personal working conditions, individual and corporate responsibilities in the workplace.

Issue	AS/A2 units	Opportunities for development
Environment *continued*	Unit 10	Environmental issues relating to marketing campaigns.
	Unit 12	Double standards of multinationals in locating in countries where the pollution laws are not as stringent in their home country.
	Unit 14	All work for section 14.3 of this unit is relevant.
European initiatives	Unit 1	1.1 considers the nature of business ownership in the UK.
		1.2 and 1.4 examines legal issues in a European context.
	Unit 2	2.1 and 2.3 consider issues of marketing and obtaining finance.
		2.4 outlines the need to comply with EU directives.
	Unit 4	Exploration of websites in a globally competitive market and the use of different language access routes for web pages, eg easyJet.com
	Unit 7	Types of business ownership.
	Unit 8	Funding availability for new businesses.
	Unit 9	Minimum wage, minimum working week — impact on motivation.
	Unit 11	European initiatives relating to finance sources.
	Unit 12	Learner work for assessment must have a business, which has a EU presence, and in addition EU rules and regulation need be considered in relation to how they impact on business decisions. This includes membership of the Single Currency.
	Unit 14	Effects of expansion of EU on UK and EU as a whole.

Appendix D: Performance descriptions

- The performance descriptions for GCE Applied Business aim to describe learning outcomes and levels of attainment likely to be shown by a representative candidate performing at the A/B and E/U boundaries for the AS and A2. The performance descriptions illustrate the expectations at these boundaries for the AS and A2 as a whole; they have not been written at specification or unit level.

- Each performance description is aligned to one Assessment Objective. An alphabetical system has been used to denote each element of a performance description. There is no hierarchy of elements.

- Performance descriptions are designed to assist examiners in exercising their professional judgement at awarding meetings where the grade A/B and E/U boundaries will be set by examiners using professional judgement. This judgement will reflect the quality of the candidates' work, informed by the available technical and statistical evidence. Performance descriptions will be reviewed continually and updated where necessary.

- Teachers may find performance descriptions useful in understanding candidates' performance across qualifications as a whole but should use the marking criteria identified in the specification when assessing candidates' work.

GCE Applied Business performance descriptions

The performance descriptions for AS indicate the level of attainment characteristic of A/B and E/U boundary learners. They give a general indicator of the required learning outcomes. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define the content. The grade awarded will depend in practice upon the extent to which the learner has met the Assessment Objectives overall. Shortcomings in some aspects of the examination may be balanced by better performance in others. The requirement for all AS and A2 specifications to assess learners' quality of written communication will be met through all four Assessment Objectives.

The difference between the AS and A2 standard is determined by:

- the greater challenge presented by the A2 subject content

- the demands of the synoptic assessment

- more challenging Assessment Objective weightings at A2

- the differences spelt out in the following performance descriptions.

AS	AO1	AO2	AO3	AO4	Quality of written communication
Assessment Objective	Learners should be able to: • demonstrate knowledge and understanding of the specified content and relevant business skills.	Learners should be able to: • apply knowledge and understanding of the specified content and relevant business skills.	Learners should be able to: • use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.	Learners should be able to: • evaluate evidence to reach reasoned judgements.	

AS	AO1	AO2	AO3	AO4	Quality of written communication
A/B boundary performance description	Learners characteristically demonstrate: • depth of knowledge and understanding of a range of key business concepts across the AS specification • an understanding of the benefits of relevant business skills and how and when these can be used.	Learners characteristically apply effectively: • depth of knowledge and understanding of a range of key business concepts across the AS specification • relevant business skills to business contexts • appropriate numerical techniques to business contexts.	Learners characteristically: • select relevant and up-to-date information from a range of sources • use appropriate numerical and/or non-numerical techniques on the selected information to analyse business issues, problems or opportunities.	Learners characteristically demonstrate evaluation by: • prioritising evidence and arguments • showing judgement in the selection and presentation of findings • presenting supported conclusions • making appropriate recommendations.	Learners characteristically use written expression: • which conveys appropriate meaning • which uses appropriate specialist vocabulary.
E/U boundary performance description	Learners characteristically: • demonstrate, perhaps with significant omissions • knowledge and some understanding of a range of business concepts contained in the AS specification • an understanding of relevant business skills and when these can be used.	Learners characteristically: • apply • knowledge and some understanding of a range of business concepts contained in the AS specification • relevant business skills to business contexts • appropriate numerical techniques to business contexts.	Learners characteristically: • collect relevant and up-to-date information from a limited range of sources • use appropriate numerical and/or non-numerical techniques on the collected information to partially analyse business issues, problems or opportunities.	Learners characteristically: • demonstrate evaluation by using some of the following: • prioritising evidence • presenting conclusions • making recommendations.	Learners characteristically: • use written expression • which is adequate to convey meaning • which may be expressed in a non specialist way.

GCE Applied Business performance descriptions

The performance descriptions for A2 indicate the level of attainment characteristic of A/B and E/U boundary learners. They give a general indicator of the required learning outcomes. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define the content. The grade awarded will depend in practice upon the extent to which the learner has met the Assessment Objectives overall. Shortcomings in some aspects of the examination may be balanced by better performance in others. The requirement for all AS and A2 specifications to assess learners' quality of written communication will be met through all four assessment objectives.

The difference between the AS and A2 standard is determined by:

- the greater challenge presented by the A2 subject content
- the demands of the synoptic assessment
- more challenging assessment objective weightings at A2
- the differences spelt out in the following performance descriptions.

A2	AO1	AO2	AO3	AO4	Quality of written communication
Assessment Objective	Learners should be able to: • demonstrate knowledge and understanding of the specified content and relevant business skills.	Learners should be able to: • apply knowledge and understanding of the specified content and relevant business skills.	Learners should be able to: • use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.	Learners should be able to: • evaluate evidence to reach reasoned judgements.	

A2	AO1	AO2	AO3	AO4	Quality of written communication
A/B boundary performance description	Learners characteristically demonstrate: • depth of knowledge and understanding of a range of key business concepts across the AS and A2 specifications, as appropriate • an understanding of the benefits of the relevant business skills, including higher level skills, and how and when these can be used.	Learners characteristically apply effectively: • in-depth knowledge and understanding of a range of key business concepts across the AS and A2 specifications, as appropriate • relevant business skills, including higher level skills; appropriate numerical techniques to business contexts.	Learners characteristically: • select relevant and up-to-date information from a range of sources • use appropriate numerical and/or non-numerical techniques on the selected information to analyse complex business issues, problems or opportunities • develop a business strategy.	Learners characteristically demonstrate evaluation by: • prioritising evidence and arguments • showing judgement in the selection and presentation of findings • presenting supported conclusions • making appropriate recommendations • justify business strategies.	Learners characteristically use written expression which: • conveys appropriate meaning • uses appropriate specialist vocabulary.

A2	AO1	AO2	AO3	AO4	Quality of written communication
E/U boundary performance description	Learners characteristically demonstrate, perhaps with significant omissions • knowledge and some understanding of a range of business concepts contained in the AS and A2 specifications, as appropriate • an understanding of relevant business skills, including higher level skills, and when these can be used.	Learners characteristically apply effectively • knowledge and some understanding of a range of business concepts contained in the AS and A2 specifications, as appropriate • relevant business skills, including higher level skills; appropriate numerical techniques to business contexts.	Learner characteristically: • collect relevant and up-to-date information from a range of sources • use appropriate numerical and/or non-numerical techniques on the collected information to partially analyse complex business issues, problems or opportunities • outline a business strategy.	Learners characteristically demonstrate evaluation by using some of the following: • prioritising evidence and arguments • making judgements • presenting conclusions • making recommendations.	Learners characteristically use written expression which: • is adequate to convey meaning • may be expressed in a non-specialist way.

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