

Cambridge International Diploma
Advanced Level

Syllabus

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BUSINESS

For assessment in 2009

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SECTION 1: OVERVIEW OF THE DIPLOMA

1.0 Introduction

The Cambridge International Diploma in Business provides a framework for developing the skills and knowledge needed for employment in the increasingly dynamic business environment. The Diploma has been developed specifically for the international market, recognising the growing importance of employees working across geographic and cultural borders. The Diploma aims to meet the needs of employers, employees and students, by assessing knowledge and competence in a range of Business areas.

1.1 The International Dimension

The standards embodied in the Cambridge International Diploma in Business are valued in countries around the world. The syllabus and assessments provide a framework through which candidates, wherever they might be, can be reliably assessed against the performance standards.

The syllabus and assessments are available in English. The Cambridge International Diploma does not directly assess language skills, but is designed to give candidates the opportunity to show they can apply the skills described in the syllabus specification.

1.2 Aims

The aim of the Diploma is to assess a candidate's competence in a range of Business skills.

The Cambridge International Diploma in Business (Advanced Level) enables students to demonstrate:

- an understanding of the key business concepts
- application of skills to real work environments
- an ability to conduct independent research and analysis.

Candidates can be certificated for individual modules, the Core Certificate, or the full Cambridge International Diploma in Business. To achieve the Cambridge International Diploma in Business at Advanced Level candidates must successfully complete **two** Core Modules and **two** from a choice of Optional Modules.

The modules available are outlined below:

Business Organisation and Environment	Core Module	2 hour examination (plus 15 minutes reading time)
Effective Business Communication	Core Module	2 hour examination (plus 15 minutes reading time)
Business Finance	Optional Module	2 hour examination (plus 15 minutes reading time)
Marketing	Optional Module	2 hour examination (plus 15 minutes reading time)
Human Resource Management	Optional Module	2 hour examination (plus 15 minutes reading time)
Business Start-up	Optional Module	Assignment

1.3 Target Group

The Cambridge International Diploma in Business (Advanced Level) is aimed primarily at students or employees who are operating at a supervisory or junior management level, or who intend to progress to higher study. Candidates will need to have access to business organisations (which can include their own business or institution) in order to conduct research and gather information.

An Advanced Level Diploma enables students to demonstrate:

- progression in the development of skills and knowledge
- the capacity to manage complex and unfamiliar situations
- the development of a problem-solving approach in real-work contexts.

There are no formal candidate entry requirements for the Cambridge International Diploma in Business, but consideration should be given to a candidate's qualification history and experience. It is the Centre's responsibility to ensure the suitability of a candidate for entry to this course.

1.4 Length of Study

Each module is designed to take approximately 60 learning hours. This is a guideline only and Centres should plan the duration of courses of study based on candidates' prior qualifications and experience.

1.5 Tutor Support

A tutor support pack is available for the Cambridge International Diploma in Business. For further information please contact CIE Customer Services.

SECTION 2: ASSESSMENT PROCEDURES

2.0 Methods of Assessment

2.1 Examined Modules

The following Core and Optional modules are assessed by examination:

- Business Organisation and Environment
- Effective Business Communication
- Business Finance
- Marketing
- Human Resource Management

Module examinations will be available in two sessions, usually in May and October. A copy of the latest examination timetable for Cambridge International Diplomas is available through CIE administration.

2.2 Assignment Assessed Module

The following module is assessed through a centre-based assignment:

- Business Start-up

The assignment guidelines are provided by CIE, but allow candidates to adapt their work to local situations. Assignments must be submitted to CIE for external marking, but may be submitted at any time.

The assignment is an extended piece of work which brings together the various skills and knowledge contained in the module. The module syllabus for the assignment-assessed module contains the assignment guidelines and requirements.

Centres must ensure that a candidate's work is submitted in its original form. Assignments submitted to CIE are not returned and Centres are advised to keep a copy of each candidate's submission. Each assignment must be accompanied by a fully complete Student Assessment Record (SAR), a copy of which can be found in the syllabus and should be photocopied as necessary. **An assignment should only be submitted to CIE for external marking when the Centre/tutor are satisfied that it is complete, and has fulfilled all of the specified criteria.** Candidates should be encouraged to complete the Assignment Coversheet for Candidates in order to ensure that the work submitted for assessment covers the required criteria. These are available in the syllabus and can be photocopied for distribution to the candidates.

CIE reserves the right to request further evidence, or to inspect Centres, in cases where there is doubt as to the authenticity of submitted work.

Where Centres have issued a task sheet to candidates for guidance on the assignment, this should be submitted to CIE along with each candidate's assignment. Centres should ensure that each assignment is clearly labelled and accompanied by the assignment submission form.

Centres must ensure that close reference is made to the assignment guidelines for each assignment, which specify the formal requirements.

2.3 Results and Certification

Certification is available at a number of stages in the Diploma in Business. Candidates who complete the two Core Modules will receive a Cambridge International Diploma Core Certificate. Completion of two additional Optional Modules leads to the Cambridge International Diploma in Business. It is also possible to study for individual modules, for which module certificates are awarded.

Pass, Merit and Distinction grades will be awarded. Candidates who fail to pass an assessment are able to re-take.

2.4 Grade Descriptors for Examined Modules

Results for examined modules of the Diploma in Business at Standard and Advanced Levels will be graded Distinction, Merit, Pass or Fail. The following grade descriptors are intended to provide an indication of the level of achievement required by students to achieve each grade. The final grade awarded will reflect the overall performance in the examination.

Distinction Level Grade Descriptor

The candidate will have demonstrated:

- excellent knowledge, understanding and specific application of the theory and skills described in the assessment objectives
- detailed knowledge and thorough understanding of the tasks posed in the examination paper
- well structured answers which demonstrate analysis of the subject matter
- appropriate reference to relevant and specific examples in the context of the case study
- coherent and well argued explanations including in-depth comment, comparisons and analysis, where necessary
- ability to draw relevant and substantiated conclusions in context

Merit Level Grade Descriptor

The candidate will have demonstrated:

- good knowledge, understanding and specific application of the theory and skills described in the assessment objectives
- a sound working knowledge and understanding of the tasks posed in the examination paper
- structured answers which show an ability to select and use information appropriate to the subject matter
- ability to provide general references and examples linked to the text
- ability to extract and comment on information available in the text and in the relevant subject matter
- ability to draw relevant conclusions in context

Pass Level Grade Descriptor

The candidate will have demonstrated:

- elementary knowledge, understanding and application of the theory and skills described in the assessment objectives
- relevant knowledge and understanding of the concepts and ideas of the tasks posed in the examination paper
- sequenced responses which contain a reasoned account of the subject matter
- reference to textual/relevant examples, where required
- ability to extract and present information in a logical format

2.5 Grading Criteria for the Assignment-Based Module

The assignment-based module will be graded Distinction, Merit, Pass or Fail. An assignment will not be awarded a Pass grade unless **all** Pass Level criteria have been demonstrated. To achieve a Distinction in an assignment-based module, candidates must achieve the majority of the criteria below at Distinction level, i.e. a minimum of four criteria must be achieved at Distinction level. To achieve a Merit in an assignment-based module, candidates must achieve the majority of the criteria below at Merit level, i.e. a minimum of four criteria must be achieved at Merit or Distinction level.

Distinction Level Criteria

For the award of a Distinction, the candidate's assignment will have demonstrated:

- **all assessment objectives**, as stated in the syllabus
- possession of a **broad range of knowledge** which reflects the syllabus requirements and which will contribute to the role s/he can play when entering employment in business
- ability to produce a **critical account or commentary** of the work undertaken or the materials produced
- **practical skill(s) to a high level**, as required in the syllabus (e.g. making presentations, reports prepared, business plans drawn up)
- ability to **select and evaluate appropriate reference sources** to contribute to assignment work
- an **excellent understanding** of how the chosen tasks fit into the wider context of the business environment

Merit Level Criteria

For the award of a Merit, the candidate's assignment will have demonstrated:

- **all assessment objectives**, as stated in the syllabus
- possession of a **good knowledge** which reflects the syllabus requirements and which will contribute to the role s/he can play when entering employment in business
- ability to produce an **analytical account or commentary** of the work undertaken or the materials produced
- **practical skill(s) to a good level**, as required in the syllabus (e.g. making presentations, reports prepared, business plans drawn up)
- ability to **select and comment on reference sources** to contribute to assignment work
- a **good understanding** of how the chosen tasks fit into the wider context of the business environment

Pass Level Criteria

For the award of a Pass, the candidate's assignment will have demonstrated:

- **all assessment objectives**, as stated in the syllabus
- possession of a **range of knowledge** which reflects the syllabus requirements and which will contribute to the role s/he can play when entering employment in business
- ability to produce a **reasoned account or commentary** of the work undertaken or the materials produced
- **practical skill(s) to a level acceptable for employment**, as required in the syllabus (e.g. making presentations, reports prepared, business plans drawn up)
- ability to **select appropriate reference sources** to contribute to assignment work
- an **awareness** of how the chosen tasks fit into the wider context of the business environment

For the award of a Pass grade **all** Pass Level Criteria must be achieved.

Full Diploma Criteria

A **Distinction** grade overall will be awarded for the full award at each level where candidates achieve:

- four modules at Distinction level
- three modules at Distinction level and one module at Merit level

A **Merit** grade overall will be awarded for the full award at each level where candidates achieve:

- four modules at Merit level
- three modules at Merit level and one module at Distinction or Pass level
- two modules at Merit level, one at Distinction level and one at Pass level
- three modules at Distinction level and one at Pass level
- two modules at Distinction level and two modules at Pass level

A **Pass** grade overall will be awarded for the full Diploma at each level where candidates achieve:

- four modules at Pass level
- three modules at Pass level and one module at Merit or Distinction level
- two modules at Pass level and two modules at Merit level.

SECTION 3: SYLLABUS OVERVIEW

3.0 Syllabus Structure

Each module in the scheme has the following structure:

- Assessment Objectives
- Competence Criteria
- Skills and Knowledge

Assessment Objectives are outlined at the beginning of each module and in the tables following. Competence Criteria provide the basis of assessment and give a further breakdown of the objectives.

The Skills and Knowledge section identifies the concepts and skills that a candidate will need to demonstrate in the final assessment.

SECTION 4: MODULE CONTENT

Business Organisation and Environment

Assessment Objectives

- 1.0** Understand and describe the features and objectives of business organisations
- 2.0** Investigate and explain the internal structure of a business organisation
- 3.0** Investigate and compare employment arrangements in business organisations
- 4.0** Research and discuss the influences of the environment on business organisations
- 5.0** Investigate and understand the relationship of a business with its markets.

1.0 Understand and describe the features and objectives of business organisations	
Competence Criteria	Skills and Knowledge
1.1 demonstrate understanding of the economy and the business context	<ul style="list-style-type: none"> the economy as a dynamic force; the need to encourage enterprise; the business or enterprise culture; policies to encourage the establishment of business – especially small and medium sized firms, inward investment, job creation schemes; competitiveness; the ‘money cycle’ or ‘circular flow’
1.2 recognise and explain the objectives of business organisations	<ul style="list-style-type: none"> definitions of business; business organisation profit: definition, justification market penetration; economic survival; satisfying customer demand; improving sales revenue; remaining competitive; growth; responding to changing external environmental pressures; helping to provide employment and better living standards for the community at large, product development
1.3 identify and compare forms and features of business organisations	<ul style="list-style-type: none"> economic activity: primary, secondary, tertiary sector and type: <ul style="list-style-type: none"> <i>private</i>: sole trader, partnership, private company, public limited company <i>mutuality</i>: Cooperative society, Charity <i>public</i>: Local Government, Central Government, Public Corporations, nationalised industry other forms of business organisation: franchise, joint-venture, holding company, multi-national size: micro, small, medium, large legal requirements: features of different types of business; procedures for establishment and registration; appropriate legislation governing the conduct of business and business organisations
1.4 understand and describe the basic elements of business finance (general understanding)	<ul style="list-style-type: none"> sources: shareholding (ordinary, preference); loans (debentures); ploughed-back profits; venture capital; bank loans and overdrafts; leasing; trade credit costs: overheads, direct and indirect, fixed and variable, marginal; budgeting; break-even analysis
1.5 demonstrate knowledge and understanding of financial records and main books of account (general understanding)	<ul style="list-style-type: none"> the concept of double-entry book-keeping records: invoice, receipt, bank statement, delivery note, purchase order, petty cash voucher, credit note, paying-in slip books: day book or journal, cash book, ledgers [sales, purchases, nominal, general], bank reconciliation distinction between cash and credit transactions; purpose of petty cash

<p>1.6 identify and explain the elements of business planning</p>	<ul style="list-style-type: none"> • monitor and assess the likely impact of external influences; the setting of goals and specific targets, and how they are to be achieved; short, medium and long term forecasting of turnover, profits, production, employment needs • the mission statement: definition, purpose • the business plan: strategies for marketing, production, resources, workforce planning, pricing, finance
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<p>2.0 Investigate and explain the internal structure of a business organisation</p>	
<p>Competence Criteria</p>	<p>Skills and Knowledge</p>
<p>2.1 research and outline the factors determining the structure of a business organisation</p>	<ul style="list-style-type: none"> • the purpose of a structure: means to coordinate resources, distribute work, monitor company performance, set and achieve targets, identify and pursue objectives, resolve problems • types of organisational structure: hierarchical or bureaucratic, matrix • features: centralisation versus decentralisation; levels of hierarchy or decision-making; chain of command; span of control; delegation; the nature and size of business as a factor determining structure • working arrangements: divisions, departments, sections; team-working, quality circles
<p>2.2 examine and compare the roles and duties of people in the organisation</p>	<ul style="list-style-type: none"> • managers: roles and functions • leadership styles: authoritarian, democratic, paternalistic, laissez-faire • directors: duties, powers and roles; executive, non-executive • stakeholders: shareholders, employees, directors, customers, bankers, suppliers, the community at large, local government, government • motivational methods and theories: Maslow, McGregor, Herzberg; the working climate; opportunities for employee participation
<p>2.3 understand and outline the systems of communication within an organisation</p>	<ul style="list-style-type: none"> • the nature and purpose of communication: imparting information, orders, requests; formal and informal communications • flow of communications – vertical, horizontal; methods – oral or verbal, written or textual, visual, electronic

3.0 Investigate and compare employment arrangements in business organisations	
Competence Criteria	Skills and Knowledge
3.1 identify different types of employment arrangements in business organisations	<ul style="list-style-type: none"> • nature and conditions of work: permanent, temporary, casual; fixed term contracts, one year rolling contracts; full-time, part-time, flexitime; job sharing; multiple-employment; self-employment; hours, pay and incentives • nature of the work base: shop, factory, laboratory, office, home, teleworking; working environment • technology: changing use; problems versus advantages
3.2 investigate and demonstrate awareness of the rights and responsibilities of employers and employees	<ul style="list-style-type: none"> • employers' expectations of employees: cooperation, effective and efficient work, commitment to the business and its objectives, loyalty, acceptance of company codes of conduct, effective time management, appropriate skills, productive; willingness to undertake any work reasonably asked of them • employees' expectations of employers: fair wages and salaries; appropriate financial and non-financial incentives; opportunities for advancement; provision of suitable and safe conditions of work; suitable training and retraining opportunities; provide the appropriate means to resolve disputes and grievances; provide channels of communication, consultation and negotiation (including the recognition of employees' association and/or trade union)

4.0 Research and discuss the influences of the environment on business organisations	
Competence Criteria	Skills and Knowledge
4.1 analyse and explain differing economic and political factors	<ul style="list-style-type: none"> • economic: market economy, planned economy, mixed economy • political: attitudes towards business; power and influence of political parties; role of public opinion and pressure groups; influence and role of complementary business organisations e.g. trade associations,
4.2 recognise and understand the factors influencing business operation	<ul style="list-style-type: none"> • supply and demand: population trends (e.g. number of people at work, age groups and their tastes and needs); availability and types of consumer credit, price levels, disposable income, consumer preference, impact of advertising, competition • government policies: control of inflation; indirect and direct taxation; level of government spending; interest rates; measures to influence the trade or business cycle • legislation: appropriate legislation affecting competition, business procedures; consumer protection • business confidence and activity: levels of productivity, economic growth; competitiveness, threats from overseas competition; levels of home and inward investment, workforce skills and flexibility, trade; exchange rates; balance of payments • social, ethical and environmental considerations
4.3 understand the reasons for the location of business	<ul style="list-style-type: none"> • economic reasons: infrastructure, availability of labour, access to markets, access to resources, local and regional economic growth, clustering, favourable labour, transport and occupancy or site costs • incentives: investment allowances and grants; preferential business taxes to encourage development of new and essential industries; government subsidies to allow businesses to modernise; employment creation schemes • environmental: local and national business location policy; social costs, i.e. private benefits plus 'externalities', i.e. ecological problems – air, water, land pollution, congestion, noise, dangerous chemicals etc; influence of pressure groups

5.0 Investigate and understand the relationship of the business to its markets	
Competence Criteria	Skills and Knowledge
5.1 demonstrate awareness of the nature of markets and market objectives	<ul style="list-style-type: none"> • definition of the market place: domestic, international, global • ways of conducting business in each type of market, e.g. use of local agents, need for permits, planning permission; the costs of penetrating markets; Government policies which may encourage or deter trade, e.g. hidden subsidies, tax holidays • market objectives: achieve and maintain a targeted market share; develop a range of saleable products; establish image of products and company; market decisions – market research, the marketing mix, marketing planning; niche marketing, mass marketing
5.2 demonstrate familiarity with the determination and application of prices	<ul style="list-style-type: none"> • market influences: pricing: competition; company position in the market; size of the market; state of the economy; availability of substitute goods and services • pricing methods: cost-plus, absorption cost, contribution, penetration, market-led, market skimming, destroyer, customer-value, price discrimination, discounts and sales • purpose and application of break-even analysis: assessment of both price and cost changes upon profit; calculation of break-even point; monitor fixed and variable costs; calculate the margin of safety
5.3 appreciate and understand the importance and role of customer service	<ul style="list-style-type: none"> • recognition of customers as the main company resource – their contribution to profit, employment, repeat business, company success • need to offer customer services to develop loyalty and business, e.g. enquiry facility, handling complaints, offering refunds or replacements; use of appropriate sales methods – direct, indirect; appreciation of customer profile and psychological factors

Effective Business Communication

Assessment Objectives

- 1.0** Understand and assess the business communication process
- 2.0** Produce and evaluate effective written business documentation
- 3.0** Appraise the characteristics of effective group communication
- 4.0** Evaluate interview procedures for effective communication
- 5.0** Identify, evaluate and apply the use of visual aids in business communications.

1.0 Understand and assess the business communication process	
Competence Criteria	Skills and Knowledge
1.1 recognise the role of communication and explain the causes and consequences of poor communication	<ul style="list-style-type: none"> • role of business communication: external – communications with stakeholders including customers; internal – communications with different levels of employees as service providers, supervisors, managers in a range of situations such as change culture, crisis, takeover/merger situations • causes: no clear aim or purpose of communication established, use of inappropriate language, use of inappropriate medium, recipient unable to understand message due to inappropriate language/cultural understanding • consequences: process and message sent is devalued; sender may need to 'follow up' transmissions; unable to access message due to incompatible technology; inappropriate medium leads to inappropriate action
1.2 examine and explain methods, and routes, of business communication	<ul style="list-style-type: none"> • methods: one-way-methods; business reports, videos, CD-ROM, etc.; the main two-way methods; team meetings, virtual team meetings, joint consultations, quality circles, seminars, briefings, telephone communications and conferencing • routes: vertical, horizontal and diagonal • identification of appropriate routes for internal and external business communication
1.3 identify characteristics and appropriateness of different forms of business communication	<ul style="list-style-type: none"> • written: letter, memorandum, report, abstract, minutes, press release, plans • oral: face-to-face conversations, interviews, meetings, briefings, presentations • non-verbal: kinetics; body language such as facial expression, sitting position, and how this affects communication in business • metacommunications; the importance of silences in communication, e.g. "nothing was said but I don't think they were very happy" • paralanguage; i.e. not what is said but the way in which it is said

<p>1.4 evaluate information and communications technology (ICT) within the office environment</p>	<ul style="list-style-type: none"> • the application of the personal computer and related devices to the work of the office • benefits of information and communications technology: automated analysis of data, speed, record keeping, ability to interrogate databases, international capabilities • costs of office automation: replacement of individuals by machine; social implications of redundancy • Internet, Extranet and Intranet; databases; spreadsheets, applications involving tables; business graphics, visual presentations (including presentation graphics software); TV/video conferencing, word processing and desk top publishing, communication software, e.g. electronic mail (e-mail), diary systems and electronic notepads • establish basic criteria for evaluating website effectiveness including areas such as: navigation, transaction capability (transactional or non-transactional) organisation and relevance of information, accessibility, usability, transparency, general attractiveness and presentation of the website
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<p>2.0 Produce and evaluate effective written documentation</p>	
<p>Competence Criteria</p>	<p>Skills and Knowledge</p>
<p>2.1 identify and evaluate the principles of written communication</p>	<ul style="list-style-type: none"> • principles of written communication; clear aims, logical structure, appropriate style and language • evaluate the range of written communication techniques for use in different circumstances for both internal and external audiences • advantages of written communication: evidence of message sent, can act as a contract or agreement, confirmation of verbal communication • disadvantages of written communication: time-consuming to produce, no opportunity for immediate exchange of ideas or attitudes
<p>2.2 understand and apply techniques for writing an effective memorandum</p>	<ul style="list-style-type: none"> • purpose of a memorandum: to convey instructions within an organisation; to provide or accompany information; confirm arrangements made orally; to aid memory; request information or action • standard memorandum items: 'To' (recipients), 'From' (sender), 'Date', 'Subject' or 'Title', content • style: use of appropriate tone, clarity, direct and succinct • factors affecting style: content of message; relationship with recipient; urgency of action proposed; nature of message

<p>2.3 understand and apply techniques for writing business letters</p>	<ul style="list-style-type: none"> • consider the purpose of the communication and the target audience's communications needs • standard business letter layout: use of printed letter headed paper; full address of organisation; telephone and fax numbers, e-mail address, opening salutation, content in appropriate business style, paragraphs using open punctuation, closing subscription; content: formality appropriate to recipient; suitable language and length used • avoid distractions in content: ensure spelling, punctuation and grammar have been checked for accuracy • content of letters for a range of different circumstances: disciplinary issues; recruitment purposes, promotional purposes, etc.
<p>2.4 understand and apply techniques for writing business reports for both external and internal audiences</p>	<ul style="list-style-type: none"> • the differences between formal and informal reports • reports compiled using key stages; identifying terms of reference; aims and objectives; research and gathering information; editing and handling information and presenting the information • components of a business report: title; author; date; reference; contents page; use of page numbers; main body of report; conclusion; appendices as appropriate • style: simple and varied; varying sentence lengths; use of layout to break up dense text; use of quotations; pictures; diagrams; headings and sub-headings: use of 'house' style reports or standard organisational layout
<p>2.5 investigate and evaluate additional forms of written communication.</p>	<ul style="list-style-type: none"> • benefits and application of memos, faxes, e-mails, SMS, Internet, Extranet and Intranet to assist free-flowing communication channels, internal and external to the organisation • effect of advanced technology in strengthening and expanding business communication across international markets: understanding business communication in the global market – technology enabling 24 hour communication systems • issues of security of information using advanced technology - using the Internet to send and retrieve written documentation • legislation and ethics regarding the use and transfer of information via the Internet

3.0 Identify the characteristics of effective group communication	
Competence Criteria	Skills and Knowledge
3.1 understand and identify the group rules	<ul style="list-style-type: none"> • group attributes: recognised by its members and by those outside • norms: conform to patterns of outlook, attitude, and behaviour • purpose: clearly stated objectives and aims • hierarchy: formal, or informal, leadership order • exclusivity: ability to grant or deny admission; loyalty of its members • sources of group conflicts: different obligations and responsibilities; inappropriate communication method; differing ideologies, beliefs
3.2 evaluate characteristics of effective groups	<ul style="list-style-type: none"> • factors affecting group effectiveness: structure, culture, mutual trust and support, consultation and involvement in decision-making • factors affecting virtual groups: lack of physical contact; lack of visual impact; distance; culture; language; co-ordination/integration of activities
3.3 recognise the characteristics of successful meetings	<ul style="list-style-type: none"> • common elements of meetings: aims and objectives outlined; action points highlighted; time constraint adhered to; leadership provided • role of key participants: chairperson; secretary; treasurer • provision and use of an agenda • minutes: written record of matters discussed, with action points and decisions made

4.0 Evaluate interview procedures for effective communication	
Competence Criteria	Skills and Knowledge
4.1 understand types and purpose of business interviews	<ul style="list-style-type: none"> • definition: a planned controlled communication between two or more people; enables both parties to speak and listen • types: employment, performance appraisal review, counselling, discipline, termination, induction, consulting, sales, data-gathering, exit interviews; assessment panels
4.2 identify the roles and responsibilities of the stakeholders in the process	<ul style="list-style-type: none"> • interviewees: need to plan, prepare and present • plan: to deal with nerves, being asked questions about specific or general subjects, arrival at interview • prepare for the interview – review strengths, weaknesses, review past performance, consider future ambitions, present a good image, be realistic, responsive, hold natural posture, be polite and informative • interviewers: plan the interview; consider type and purpose, who is going to be involved, location and timing, structure, preparation of questions • set criteria and structure the opening, body and close of the interview and set appropriate timings • recording mechanisms and the use of selection criteria for each interview to ensure unbiased decisions for recruitment interviews
4.3 understand the use of questions to enhance the interview	<ul style="list-style-type: none"> • use of closed questions (usually requires one specific answer) • use of leading questions (usually inappropriate as it leads the interviewee to the correct or required answer) • use of open questions (often used to enable interviewees to open up and allow maximum freedom to answer and respond) • hypothetical questions (setting a scenario in which the interviewee has to assume what they would do if the scenario situation prevailed) • appropriate use of questions by interviewers and interviewees to enhance the interview process

5.0 Identify, evaluate and apply the use of visual aids in business communication	
Competence Criteria	Skills and Knowledge
<p>5.1 identify, apply and evaluate the use of a variety of graphical forms of written communication</p>	<ul style="list-style-type: none"> <p>table: components: a clear title; a scale or interval – e.g. 12 month period; a list of items to be compared and totalled; indication of the meaning of the numbers being used, e.g. ('000s')</p> <p>disadvantages: limited immediate visual impact; difficult to interpret readily</p> <p>bar chart: comprises title; vertical and horizontal scale showing the unit of measurement; bars of equal lateral dimension, (it is the height of the bars which is being compared, not the areas); bars have an individual identity either by name or with use of a key; possible use of three dimensions and colour to enhance visual impact</p> <p>disadvantages: limited visual impact if results are very close in value; limited number of bars per bar chart</p> <p>pie chart: 'total value' of the items (100% or 360 degrees) must be known in order to compare items in a pie chart; each 'percentage point' of the pie chart will equal 3.6 degrees; 'values' of each part must be included clearly in % terms to enhance analysis of data; use of colours to enhance impact</p> <p>disadvantages - limited to the amount of in-depth information that can be conveyed using a pie or circle chart</p> <p>line graph: grid of equal sized squares; two sets of information plotted in relation to one another; one set of data plotted vertically, the other horizontally</p> <p>disadvantages: cannot readily or clearly interpret too many plotted lines of information</p>
<p>5.2 examine the use of other visual charts</p>	<ul style="list-style-type: none"> <p>organisational charts: clarifies the roles and responsibilities of employees, different types of charts for hierarchical or flat structures to show span of control or self-managing work groups</p> <p>understanding the use of flow and Gantt charts to pinpoint activity and plot actual progress against planned progress</p>

<p>5.3 examine technical advances in producing effective visual communication</p>	<ul style="list-style-type: none">• use of Information Communications Technology to aid visual communication, and to enhance presentation of complex information• examine the uses of multi-media facilities, video, computer graphics, sound, overhead projectors and basic visual aids; PowerPoint as a means of presentation and production of high quality pre-prepared slides, graphics and animation (where appropriate)
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Business Finance

Assessment Objectives

- 1.0** Understand the importance and use of finance in different types of business organisation
- 2.0** Understand the need for and use of financial procedures and reporting
- 3.0** Understand and explain the need for and use of financial, management and cost accounting methods
- 4.0** Understand and explain the use and procedures of accounting and accounting records
- 5.0** Demonstrate knowledge and application of accounting techniques.

1.0 Understand the importance and use of finance in different types of business organisation	
Competence Criteria	Skills and Knowledge
1.1 demonstrate understanding of the nature of business	<ul style="list-style-type: none"> the meaning and purpose of business: the nature of profit; definition, justification the basic money cycle or circular flow
1.2 demonstrate understanding of the financial and legal implications of different types of business organisation	<ul style="list-style-type: none"> financial and legal responsibilities of sole traders, partnerships and incorporated bodies; duties of directors and/or owners; and other officials implications of personal liability and doctrine of 'ultra vires' audit; submission of accounts; submission of data to government departments
1.3 demonstrate knowledge and awareness of the sources of funding of incorporated bodies	<ul style="list-style-type: none"> internal: profits; sale of assets; depreciation external (short term): bank loans and overdrafts; trade credit: leasing; debt factoring; trade bills external (long term): share capital (ordinary, preference, deferred, cumulative, bonus issue, rights issue); loan capital (mortgage, debenture) distinction to be made between permanent and non-permanent capital base distinction to be made between increasing the liquidity of the organisation and increasing the capital base of the organisation
1.4 understand the reasons for business finance	<ul style="list-style-type: none"> acquisition of assets, tangible (e.g. land, vehicles, buildings) and intangible (e.g. patents, goodwill, trademarks, copyright) provision of working capital, i.e. day to day finance available for business expenses (e.g. labour costs, purchase of raw materials and components, cash); formula: working capital = current assets - current liabilities

2.0 Understand the need for and use of financial procedures and reporting	
Competence Criteria	Skills and Knowledge
2.1 demonstrate knowledge and understanding of internal and external needs of financial reporting	<ul style="list-style-type: none"> internal users of records: management, employees, owners, e.g. monitor, analyse and evaluate performance; financial controls; records of assets and liabilities; capital; decision-making; taxation; profits external users of records: e.g. banks (loans, overdrafts), suppliers (trade credit), media (reporting), prospective investors (investment potential), owners or shareholders (vested interest), government departments (statistics, taxation)
2.2 demonstrate awareness and appreciation of social accounting factors	<ul style="list-style-type: none"> limitations of financial reporting as basis for management decisions; prospective conflict of interpretation; impact and influence of external factors, i.e. political, economic, social and technological (PEST) issues
2.3 demonstrate knowledge and understanding of the basic principles of financial accounting	<ul style="list-style-type: none"> concepts include: business entity (business has separate identity as 'an artificial legal person'); historic cost (valuation of assets at original cost); realisation (profits earned when products legally sold), accruals or matching (costs and revenue matched with the period in which they occur), money terms (values of goods and services expressed accurately), consistency (maintenance of valuation decisions), disclosure (assumed compliance with accounting standards), double-entry (source of funds vs. use of funds), materiality (items ignored if insignificant to overall results), going concern (business viability), prudence (reporting in a conservative manner)
2.4 understand the relationship between accounting principles, standards and policies	<ul style="list-style-type: none"> concepts are designed to meet declared standards; methods are designed to apply the principles; policies contain disclosure of methods used consider the need for international harmonisation of standards, i.e. growth of international investment, use of electronic dealing, transnational firms

3.0 Understand and explain the need for and use of financial, management and cost accounting methods	
Competence Criteria	Skills and Knowledge
3.1 demonstrate understanding of the nature of financial accounting	<ul style="list-style-type: none"> • 'true and fair view', i.e. accurate record of organisation's financial position; concerned with past record; recording and assembling data; summarising financial detail; presenting and communicating financial information for internal and external users
3.2 demonstrate understanding of the nature of management accounting	<ul style="list-style-type: none"> • use of financial information for internal management purposes, e.g. analysis, break-even calculation, budgetary control, cost or profit centres, investment appraisal, forecasts and planning
3.3 demonstrate understanding of the nature of cost accounting	<ul style="list-style-type: none"> • allocation of costs to different activities; recognition of various costs - direct and indirect, fixed and variable, prime cost, overheads; recognition of various costing methods - standard, unit, job, batch, process, marginal, absorption; the analysis of performance, e.g. variance analysis • enable management to make decisions on, e.g. pricing, break-even calculations, 'make or buy' decisions
3.4 demonstrate knowledge and awareness of budgetary control methods	<ul style="list-style-type: none"> • purpose of a budget, i.e. planned outcome not forecast; means of control, co-ordination, and review; setting targets • the budgetary process • budgetary applications may include sales, revenue, expenses, profit, personnel, capital expenditure

4.0 Understand and describe the elements of accounts and accounting records	
Competence Criteria	Skills and Knowledge
4.1 demonstrate understanding of the concept of double-entry bookkeeping	<ul style="list-style-type: none"> concept of duality, i.e. every transaction has two aspects - one of giving and one of receiving; application of equation: capital = assets - liabilities; mechanism to ensure the balance-sheet balances
4.2 demonstrate knowledge and understanding of financial records and main books of account	<ul style="list-style-type: none"> records: invoice, receipt, bank statement, delivery note, purchase order, petty cash voucher, credit note, paying-in slip books: day book or journal, cash book, ledgers (sales, purchases, nominal, general), bank reconciliation distinction between cash and credit transactions and their effect on cash flow; purpose of petty cash
4.3 demonstrate knowledge and understanding of the use and nature of ratios	<ul style="list-style-type: none"> types of ratio; performance, liquidity, capital structure, investor limitations of ratio analysis

5.0 Demonstrate knowledge and application of accounting techniques	
Competence Criteria	Skills and Knowledge
5.1 demonstrate knowledge and understanding of the trial balance	<ul style="list-style-type: none"> use and significance of the trial balance; limitations of the trial balance
5.2 demonstrate knowledge and understanding of adjustments prior to final accounts	<ul style="list-style-type: none"> stock valuation methods, e.g. Last In/First Out, Average Cost of Stock, treatment of bad debts; fixed asset depreciation methods, e.g. straight line, reducing balance
5.3 demonstrate knowledge and understanding of the structure and purpose of the final accounts	<ul style="list-style-type: none"> cash flow statement; profit and loss account; the balance sheet

Marketing

Assessment Objectives

- 1.0** Identify and appreciate the objectives and functions of developing a marketing orientation
- 2.0** Investigate and explain the reasons for, and use of, market research for business decisions
- 3.0** Identify the importance of understanding buyer behaviour and new target segments
- 4.0** Explain and demonstrate the strategic implications and applications of the marketing planning process
- 5.0** Explain and apply marketing mix applications for a product or service.

1.0 Identify and appreciate the objectives and functions of developing a marketing orientation	
Competence Criteria	Skills and Knowledge
1.1 identify and understand the importance of marketing	<ul style="list-style-type: none"> • definitions: marketing concept – meeting the needs of customers; marketing orientation – customer orientation, co-ordination of market-led activities • importance of marketing: achieving corporate objectives; understanding the increasing sophistication of consumers; identifying, anticipating, influencing and satisfying consumer needs; responding to changes in the market; improving market share; entering new markets; increasing revenue and profit maximisation; increasing awareness and profile of the company; increasing awareness of the product or service • role of marketing as a management function: organisation of marketing departments to achieve marketing orientation; the marketing planning cycle
1.2 identify and analyse the implications of a marketing orientation	<ul style="list-style-type: none"> • a customer orientation: defining customer requirements, (re)organising the internal organisational structure to achieve customer orientation objectives; measuring effectiveness • customer care: identifying the nature of customer care; understanding the importance of quality within the management process – role of Total Quality Management (TQM) • steps involved in setting up a customer care programme: establish a process, identify customer requirements, set targets, establish service specifications, train staff, devise action plan; measure results
1.3 identify and understand the implications of relationship marketing	<ul style="list-style-type: none"> • definition: the importance of the organisation's whole relationship between customers and suppliers; building, retaining and maintaining customer loyalty

2.0 Investigate and explain the reasons for, and use of, market research for marketing decisions	
Competence Criteria	Skills and Knowledge
2.1 recognise the reasons for undertaking market research	<ul style="list-style-type: none"> • definitions: the collection and analysis of market/customer information • continuous research: used to identify the economic and competitive factors which affect an organisation; such as determining the impact of government regulations; identifying changing societal issues; exploring the effects of new technologies; identifying, predicting and explaining market trends; forecasting sales levels • ad hoc/informal market research: used to explore ideas for new products and services; investigating new customer behaviour; evaluate communications campaigns
2.2 identify and evaluate different research methods	<ul style="list-style-type: none"> • primary: first-hand information obtained from field research. Strengths and weaknesses of in-depth interviews, attitude surveys, focus groups, consumer panels, postal surveys, telephone questionnaires, test marketing (experimentation), observation • secondary: second-hand data, i.e. already collected, collated and published – known as desk research; sources include company records, agencies, government bodies, trade associations, media, specialist libraries, market intelligence reports, journals (trade, professional, academic); strengths and weaknesses of using secondary data • suitability: compare usefulness of data collection methods: reliability; bias; cost implications; time constraints; use of a marketing research agency
2.3 understanding the process for planning a market research project	<ul style="list-style-type: none"> • procedure: 5 stage process: definition of problem; design of research and sampling; collection of data; analysis of data; presentation of report findings; justification of research methodology

3.0 Identify the importance of understanding buyer behaviour and new target segments	
Competence Criteria	Skills and Knowledge
3.1 understand the different types of buying behaviour	<ul style="list-style-type: none"> • consumer behaviour: routine response; limited decision-making; extensive decision-making; impulse buying • organisational behaviour: new task purchases; modified re-buy purchases; straight re-buy
3.2 recognise the stages and influences related to the consumer buying decision process	<ul style="list-style-type: none"> • 5 stages: problem recognition; information search; evaluation; purchase; post-purchase evaluation • influences: personal issues (such as demographics, situational, involvement); psychological (perception, motives, learning, attitudes); social influences (roles and families, social classes, culture)
3.3 recognise the stages related to the organisational buyer decision process	<ul style="list-style-type: none"> • 6 stages: problem recognition; develop product specifications; search for suppliers; evaluate products and supplier relative to specifications; select and order; evaluate product and supplier performance • DMU: Decision Making Unit: comprising range of decision makers, e.g. buyer; gatekeeper, user, technical specialist, initiator
3.4 identify why it is important to understand buying behaviour	<ul style="list-style-type: none"> • reasons: satisfy changing needs; identify new segments; more effective communications messages; development of future products and services
3.5 the importance of identifying new target segments	<ul style="list-style-type: none"> • segmentation: definition – division of market into subsets of customers with similar needs • criteria for successful segmentation: measurable; accessible; substantial; congruent; stable • consumer bases: identification of different bases for segmentation: i.e. geographic (by country or region); demographic (age, gender, ethnicity, socio-economic class); psychographic (taste, lifestyle, interests,) • business-to-business bases: identification of different bases for segmentation: i.e. geographic (by country or region); business demographics (size, number of employees, industry type, age of company); purchasing approach (centralised/decentralised, decision making unit); situational factors (size of order, urgency, new or re-buy) • reasons: identifying new markets, specialisation, gain competitive advantage in certain segments, niche marketing, cost and marketing efficiency

4.0 Explain and demonstrate the strategic implications and applications of the marketing planning process	
Competence Criteria	Skills and Knowledge
4.1 identify the strategic implications related to effective marketing planning	<ul style="list-style-type: none"> • strategy: identify the differences between strategic and tactical issues • implications: cost efficiencies; competitive advantage; effective targeting, long-term, medium and short-term planning
4.2 explain the marketing planning process	<ul style="list-style-type: none"> • marketing audit: identify external (PEST factors) and internal (current plans and sales figures) situation, current product life cycles • SWOT: summary of marketing audit – prioritising internal Strengths and Weaknesses, and external Opportunities and Threats • objectives: identifying top-down objectives, from corporate objectives to marketing objectives: SMART objectives (specific, measurable, achievable, realistic and time-based); linked to sales targets • segmentation: identify segmentation strategy; target market (undifferentiated, differentiated, concentrated). • strategic Marketing Models: Ansoff Matrix for growth (market penetration, market development, product development, diversification); Porter's generic strategies (cost leadership, differentiation, focus/niching) • branding: importance of, and the role of branding in a competitive market • adapting the marketing mix: basic introduction to adapting the extended marketing mix - product, price, place, promotion, people, process and physical evidence • control: control methods to ensure an effective planning process: qualitative – research into consumer attitudes; quantitative – sales figures achieved

5.0 Explain and apply marketing mix applications for a product or service	
Competence Criteria	Skills and Knowledge
5.1 understand and explain the tactical tools known as the marketing mix	<ul style="list-style-type: none"> • definitions: the 4Ps (product, price, promotion, place); the extended marketing mix 7Ps (4Ps plus people, physical evidence, process); • balance: the importance of achieving right balance between elements in different situations and organisational contexts
5.2 identify and evaluate the importance and impact of each element of the marketing mix	<ul style="list-style-type: none"> • Product (service): meeting the needs of customers; use; appearance; pack size/quantity; flavours; colours, brand, design, image, after-sales service, features, need for new product development; npd (new product development) process – idea generation, screening ideas, concept testing, business analysis, product development, test marketing, commercialisation • Price: mark-up/margin; market penetration, market skimming, price leader, loss leader • Promotion: promotions mix: advertising, sales promotions, personal selling, public relations, direct marketing, electronic marketing (e-marketing) • Place: the channels of distribution; types of outlet; competition for place; manufacturer/supplier inducements • People: training, uniform, personal contacts, customer care provision • Physical Evidence: ambience; signage; logo, image, uniforms, vehicles • Process: customer-focused systems
5.3 identify effective marketing mixes	<ul style="list-style-type: none"> • Product Life Cycle (PLC): understand each stage of the PLC and the consequences for price, product, place and promotion • selected campaigns: successful/unsuccessful; campaigns in the context of 7Ps

Human Resource Management

Assessment Objectives

- 1.0** Understand Human Resource Management, its development, purpose and organisation
- 2.0** Understand how the employment market, and the frameworks within which an organisation operates, affects the management of people
- 3.0** Understand how organisations plan and meet their human resources requirements
- 4.0** Describe and evaluate the methods used to enable individuals and groups to work together effectively and resolve conflict
- 5.0** Explain and analyse how organisations reward, motivate and develop employees.

1.0 Understand Human Resource Management, its development, purpose and organisation	
Competence Criteria	Skills and Knowledge
1.1 understand the meaning and purpose of 'Human Resource Management'	<ul style="list-style-type: none"> • meaning: Human Resource Management as the process for creating and maintaining relationships between the people who work for and with them, and between organisations • purpose: providing the right mix of skills, controlling the costs of employment (to include wages, salaries, support costs and social costs); ensuring the organisation has the ability to react effectively and efficiently to change
1.2 understand the distinction between the operational and strategic purposes of Human Resource Management	<ul style="list-style-type: none"> • operational purpose: providing and deploying the right mix of skills, knowledge and experience; controlling the costs of employment (wages and salaries, support (Admin) costs, social costs); maintaining systems for motivating and developing individuals and resolving conflict; replenishing the organisation's human resources over time • strategic purpose: contributing specialist expertise to the medium and long term development of the organisation; creating the ability to react effectively to change; handling growth efficiently
1.3 describe and evaluate different approaches to the management of human resources	<ul style="list-style-type: none"> • centralised vs. de-centralised; division of responsibilities between line managers and Human Resources (HR) specialists; different specialist roles in HR (e.g. Management Development, Employee Relations, Recruitment and Selection); HR representation at Senior and Board level
1.4 understand how Human Resource Management has developed into its current form	<ul style="list-style-type: none"> • development: as a welfare activity; as a workforce centred activity, mediating between the organisation and the people it employs; as a management centred activity, supplying the organisation with one of the many types of resource which it needs to operate effectively

2.0 Understand how the employment market, and the frameworks within which an organisation operates, affect the management of people	
Competence Criteria	Skills and Knowledge
2.1 describe the significance of the main features of the employment market	<ul style="list-style-type: none"> sectors of employment (primary, secondary and tertiary); age and gender; full-time vs. part-time vs. self-employment; employment and unemployment rates; skill levels and types of skills; regional variations; to include the trends of all the above
2.2 understand the effect of other organisations or groups on HRM	<ul style="list-style-type: none"> trade unions; employer's associations; government agencies; professional bodies (e.g. British Medical Association; American Society of Training and Development; Hong Kong Management Association; International Maritime Organisation); customers and competitors
2.3 describe and evaluate the influence of technical change on human resource management	<ul style="list-style-type: none"> the creation of needs for new skills; the implications for career development, the implications for training, continuing professional development and lifelong learning; the threat of redundancy; how technology influences the way people's work is organised
2.4 understand the influence of the legal environment on how people are managed	<ul style="list-style-type: none"> pay-related legislation (e.g. sick pay, minimum wages); employment protection and employee rights; equal opportunities; health and safety; maternity/paternity; job creation

3.0 Understand how organisations plan and meet their human resource requirements	
Competence Criteria	Skills and Knowledge
3.1 outline approaches to human resource planning	<ul style="list-style-type: none"> analysis of current strengths and weaknesses (e.g. turnover and retention rates; absenteeism; length of service; job satisfaction; health and safety records; exit interview data); methods for forecasting supply and demand; succession planning
3.2 describe and evaluate different types of employment contracts	<ul style="list-style-type: none"> permanent; fixed term; temporary; part-time; contracts for specific tasks, jobs or services; contracting out to employment agencies
3.3 understand the recruitment and selection process	<ul style="list-style-type: none"> recruitment: purpose (finding the right person, avoiding discrimination, presenting a positive image of the organisation); job descriptions and person specifications; application forms; methods for attracting candidates (formal vs. informal, internal vs. external, choosing the right media); using agencies (public and private sector) selection: letters of application and Curriculum Vitae (CVs)/Resumés; application forms; references; tests (aptitude, psychometric and practical); assessment centres; interviews (group and individual)
3.4 understand how the contract of employment can end	<ul style="list-style-type: none"> resignation; retirement; redundancy; dismissal; mutual agreement; end of fixed term contract/task/service

4.0 Describe and evaluate the methods used to enable individuals and groups to work together effectively and resolve conflict	
Competence Criteria	Skills and Knowledge
4.1 describe and evaluate different ways of organising work	<ul style="list-style-type: none"> • different working patterns (e.g. day work, shift systems, flexitime; working at home, casual employment) • different working structures (e.g. functional, product, territorial, matrix; permanent and temporary project teams and task groups)
4.2 describe and evaluate how organisations measure and monitor people's performance at work	<ul style="list-style-type: none"> • standards, targets, key accountabilities; key competencies; appraisal systems (types; strengths and weaknesses); individual vs. team performance; Performance Management
4.3 describe and evaluate the use of different systems for communication and conflict resolution	<ul style="list-style-type: none"> • information based systems (e.g. briefing structures, newsletters; bulletin boards; emails, company website, electronic notice boards; staff surveys) • individual problem-solving mechanisms (e.g. discipline procedures and grievance procedures) • improvement initiatives (e.g. Total Quality Management, Kaizen - (continuous improvement), mission statements) • formal consultation and negotiation systems (e.g. Works Councils, worker directors, committee structures (e.g. safety, consultation), collective agreements)

5.0 Explain and analyse how organisations reward, motivate and develop employees	
Competence Criteria	Skills and Knowledge
5.1 explain the use of different methods of payment and reward	<ul style="list-style-type: none"> financial reward – salaries, wages; fixed rates; piece-work; payment by results; annualised hours; productivity and annual bonuses; profit-sharing systems; share option schemes; non-contributory pensions fringe benefits (e.g. holidays, company cars, cheap loans, subsidised food and accommodation, health care, social activities; preferential access to the organisation's products or services, company discounts)
5.2 explain how organisations identify the type and level of reward they offer employees	<ul style="list-style-type: none"> influence of the marketplace for particular skills/qualifications; legal constraints; regional variations; bargaining strength of individuals/groups; differentials; the need for rewards to fit the organisation's structure, technology and objectives
5.3 understand and analyse how the nature of work contributes to motivation	<ul style="list-style-type: none"> working conditions; job satisfaction; promotion; working relationships (both with colleagues and managers); recognition; variety; levels of responsibility; leadership style
5.4 understand and evaluate the main features of training and development	<ul style="list-style-type: none"> objectives of training and development (individual vs. organisational); training needs analysis; line managers' responsibilities; induction training; internal training; the use of external trainers; training on and off the job; skills qualifications and certification; government supported initiatives, continuing professional development

Business Start-Up

Assessment Objectives

- 1.0** Identify and describe a proposed business activity
- 2.0** Investigate and explain the process of setting up a business
- 3.0** Analyse and explain the elements of business finance
- 4.0** Understand and produce a business plan
- 5.0** Choose, investigate and present a business proposal.

1.0 Identify and describe a proposed business activity	
Competence Criteria	Skills and Knowledge
1.1 describe and evaluate a business idea	<ul style="list-style-type: none"> the product or service: the reasons(s) for the choice new or existing business: the actual (or realistic assumption of) market, customers and competitors; potential for success mission statement
1.2 identify and describe the personal skills required to establish a business	<ul style="list-style-type: none"> personal ambitions, motivations and commitment; business or career experience; personal attributes (e.g. self-discipline, appearance, manner, attitude, imagination, vision, education); practical skills (e.g. language, computer literate, technical ability); business contacts (networking)

2.0 Investigate and explain the process of setting up a business	
Competence Criteria	Skills and Knowledge
2.1 identify and explain sources of assistance and advice	<ul style="list-style-type: none"> primary (may include): accountant (business plan, balance sheet and accounts, taxation, payroll); banker (business and financial advice, provision of financial support); business consultant (development of the idea, the business plan, contacts); chamber of commerce (local support, networking, business advice); lawyer (legal structure, business registration, contract, property, debt collection, litigation) secondary (may include): advertising agent/PR advisor; sales promotion, image; architect (new property design or renovation); estate agent (property sales or lets); insurer (protection against damage and risks); local government (planning); printer (business documents); surveyor (property services); tax authorities (taxation); trade associations (code of conduct, standards, networking, advice, training)
2.2 evaluate the features of different types of business organisations	<ul style="list-style-type: none"> features: legal requirements advantages and disadvantages of: sole trader, partnership, limited company, unlimited company, franchise

<p>2.3 understand and explain essential business start-up activities</p>	<ul style="list-style-type: none"> • trading premises: decision to buy or lease; fitting-out costs (e.g. furnishing and decorating); occupancy costs (e.g. business rates or taxes, lease rents); equipment; space required; function, e.g. office, warehouse, factory • banking arrangements: business accounts, cheques signatories, telephone banking • finance: loan or overdraft facility; sufficient finance for start-up and working capital; appropriate gearing ratio • trading terms: methods of payment; credit terms; discounts; cancellations of orders; period quotations remain valid • insurance: employer's liability, motor vehicles, public liability, fire, damage, theft, premises • stationery: letterheads, business cards, invoices, contracts, leaflets; 'house' style; logo; legal requirements, i.e. information to be included in stationery (e.g. registered address, name of company); business nameplate • accounting system: legal obligations to set up reliable accountancy system; keep financial records; monitor all transactions
<p>2.4 understand and explain supplementary business start-up activities</p>	<ul style="list-style-type: none"> • management: management structure appropriate to the business • sales and distribution methods: wholesale, retail; direct sales; agents; mail order; personal home selling; party selling • employment: nature of the work base (e.g. office, laboratory, factory, home, shop); employees, e.g. full time, part time, casual • marketing: market research; marketing mix; sales promotion • buying: reliability of suppliers, terms of business, stock control method • customer service: delivery, credit facilities, after-sales

3.0 Analyse and explain the elements of business finance	
Competence Criteria	Skills and Knowledge
3.1 understand the definition of business finance	<ul style="list-style-type: none"> equity: money actually invested in the business; remains within the business debt finance: money borrowed to inject into the business (interest is payable)
3.2 analyse and explain the reasons for business finance	<ul style="list-style-type: none"> acquisition of assets: tangibles like land, machinery, buildings (i.e. potential collateral for securing loans); intangibles like brand names, goodwill provision of working capital: day to day finance for running the business, e.g. raw materials, general expenses, credit offered to customers
3.3 identify and evaluate the types, sources, and application of business finance	<ul style="list-style-type: none"> types: share capital, debentures, loans, overdraft, leasing, hire purchase, trade credit, customer finance, e.g. deposits, payment in advance sources: personal resources: cash, savings, investments and property; internal: e.g. partners, profits, depreciation; external: e.g. banks, finance houses, factoring companies, leasing companies application of finance: evaluate need for finance in the short term (<3 years), or the medium term (>3 to <10 years), or long term (>10 years)
3.4 explain and demonstrate understanding of the process of forecasting costs and profit	<ul style="list-style-type: none"> direct costs (e.g. materials, labour); indirect costs (e.g. rent, interest charges); definition of profit – gross and net; budgeting, e.g. sales forecast break-even analysis; project profit and loss account; cash flow forecast

4.0 Understand and produce a business plan	
Competence Criteria	Skills and Knowledge
4.1 investigate and explain the nature and purpose of the business plan	<ul style="list-style-type: none"> description of business proposals; contains and emphasises realistic targets and strategies; device to help measure and monitor business achievement; a key activity to interest advisors and attract investors
4.2 demonstrate ability to understand and produce an elementary business plan	<p>the plan should include these points:</p> <ul style="list-style-type: none"> introduction: a summary of the business proposal, e.g. a concise overview of the business, the product or service, background to the idea, general objectives objectives: definition of specific targets and business strategies to achieve them, e.g. production levels, sales, profitability; market penetration; pricing; methods of sales and distribution business activity: full description of product or service, e.g. key features, benefits marketing: demand for the product or service; evidence of a gap in the market (mass, niche, specialist – home/overseas); regular or seasonal demand profile of the potential (or existing) customers, e.g. location, income, class, expectations of the product or service, e.g. price, quality, after-sales; indication of competition, e.g. location, price, quality, home or foreign business organisation: organisational structure; key personnel and their roles operation of the business: identify suppliers (and alternatives); premises; manufacturing or processing methods; equipment; human resources; evidence of ability to meet demand; accounting system financial information: a critical element in the plan; should be detailed with projections at two years ahead; should contain projected balance sheet, projected profit and loss account, cash flow forecast, and determination of break-even likely business risks: evaluation of potential problems, e.g. unpaid accounts, delivery delays, unreliable supplier, market downturn, change in interest rates long term plans: any likely extension to product or service line(s)

5.0 Choose, investigate and present a business proposal	
Competence Criteria	Skills and Knowledge
5.1 prepare a report, including a business plan, for a new business venture	<ul style="list-style-type: none"> • details of the assignment requirements can be found in the section headed 'Assignment Guidelines' which follows
5.2 self assessment	<ul style="list-style-type: none"> • strengths and weaknesses of the approaches taken • quality of the business plan • what would be done differently if the process were to be repeated

FOR CENTRE AND CANDIDATE USE - PLEASE PHOTOCOPY AS REQUIRED

Assignment Contents

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Choose, investigate and present a business proposal. Prepare a report, which must include a business plan, on the development of a business proposal. The plan should include discussion of the product or service and type of business organisation chosen, along with an explanation of how the candidate plans to set up the business. This will include a checklist of activity and sources of business advice and finance.

You should go through the grids and indicate in the boxes where the evidence can be found. You may want to add a comment to explain your choice, but this is not always necessary.

Select and describe the business idea		Page	Comments
1.1	Describe and evaluate a business idea <ul style="list-style-type: none"> the product or service: the reasons(s) for the choice new or existing business: the actual (or realistic assumption of) market, customers and competitors; potential for success mission statement 		
Identify and discuss the personal skills of the candidate			
1.2	Identify and describe the personal skills required to establish a business <ul style="list-style-type: none"> personal ambitions, motivations and commitment; business or career experience; personal attributes (e.g. self-discipline, appearance, manner, attitude, imagination, vision, education); practical skills (e.g. language, computer literate, technical ability); business contacts (networking) 		
Identify and explain the main sources of business and professional advice			
2.1	Identify and explain sources of assistance and advice <ul style="list-style-type: none"> primary (may include): accountant (business plan, balance sheet and accounts, taxation, payroll); banker (business and financial advice, provision of financial support); business consultant (development of the idea, the business plan, contacts); chamber of commerce (local support, networking, business advice); lawyer (legal structure, business registration, contract, property, debt collection, litigation) secondary (may include): advertising agent/PR advisor; sales promotion, image; architect (new property design or renovation); estate agent (property sales or lets); insurer (protection against damage and risks); local government (planning); printer (business documents); surveyor (property services); tax authorities (taxation); trade associations (code of conduct, standards, networking, advice, training) 		
Choose and evaluate the type of business organisation			
2.2	Evaluate the features of different types of business organisations <ul style="list-style-type: none"> features: legal requirements advantages and disadvantages of: sole trader, partnership, limited company, unlimited company, franchise 		

FOR CENTRE AND CANDIDATE USE - PLEASE PHOTOCOPY AS REQUIRED

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Discuss and evaluate the provision of business finance		Page	Comments
3.1	<p>Understand the definition of business finance</p> <ul style="list-style-type: none"> equity: money actually invested in the business; remains within the business debt finance: money borrowed to inject into the business (interest is payable) 		
3.2	<p>Analyse and explain the reasons for business finance</p> <ul style="list-style-type: none"> acquisition of assets: tangibles like land, machinery, buildings (i.e. potential collateral for securing loans); intangibles like brand names, goodwill provision of working capital: day to day finance for running the business, e.g. raw materials, general expenses, credit offered to customers 		
3.3	<p>Identify and evaluate the types, sources, and application of business finance</p> <ul style="list-style-type: none"> types: share capital, debentures, loans, overdraft, leasing, hire purchase, trade credit, customer finance, e.g. deposits, payment in advance sources: personal resources: cash, savings, investments and property; internal: e.g. partners, profits, depreciation; external: e.g. banks, finance houses, factoring companies, leasing companies application of finance: evaluate need for finance in the short term (<3 years), or the medium term (>3 to <10 years), or long term (>10 years) 		
3.4	<p>Explain and demonstrate understanding of the process of forecasting costs and profit</p> <ul style="list-style-type: none"> direct costs (e.g. materials, labour); indirect costs (e.g. rent, interest charges); definition of profit – gross and net; budgeting, e.g. sales forecast break-even analysis; project profit and loss account; cash flow forecast 		
Prepare and explain the action plan or check-list			
3.3	<p>Identify and evaluate the types, sources, and application of business finance – as above</p> <ul style="list-style-type: none"> produce action plan or check list: identify the main activities to be carried out whilst setting up the business (i.e. this is in the form of a 'must do' list). 		
Produce a business plan and report			
4.1	<p>Investigate and explain the nature and purpose of the business plan</p> <ul style="list-style-type: none"> description of business proposals; contains and emphasises realistic targets and strategies; device to help measure and monitor business achievement; a key activity to interest advisors and attract investors 		

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		Page	Comments
4.2	<p>Demonstrate ability to understand and produce an elementary business plan</p> <p>The plan should address these points:</p> <ul style="list-style-type: none"> • introduction: a summary of the business proposal, e.g. a concise overview of the business, the product or service, background to the idea, general objectives • objectives: definition of specific targets and business strategies to achieve them, e.g. production levels, sales, profitability; market penetration; pricing; methods of sales and distribution • business activity: full description of product or service, e.g. key features, benefits • marketing: demonstrate: demand for the product or service; evidence of a gap in the market (mass, niche, specialist – home/overseas); regular or seasonal demand • profile of the potential (or existing) customers, e.g. location, income, class, expectations of the product or service, e.g. price, quality, after-sales; indication of competition, e.g. location, price, quality, home or foreign • business organisation: organisational structure; key personnel and their roles • operation of the business: identify suppliers (and alternatives): premises; manufacturing or processing methods; equipment; human resources; evidence of ability to meet demand; accounting system • financial information: a critical element in the plan; should be detailed with projections at two years ahead; should contain projected balance sheet, projected profit and loss account, cash flow forecast, and determination of break-even • likely business risks: evaluation of potential problems, e.g. unpaid accounts, delivery delays, unreliable supplier, market downturn, change in interest rates • long term plans: any likely extension to product or service line(s) 		
5.1	<p>Prepare a report, including a business plan, for a new business venture</p> <ul style="list-style-type: none"> • details of the assignment requirements can be found in the section of the syllabus headed 'Assignment Guidelines' 		

Self Evaluation

5.2	<p>Comment on:</p> <ul style="list-style-type: none"> • your approach to developing the business plan for your business idea • the strengths and weaknesses of your report 		
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BUSINESS ADVANCED LEVEL
BUSINESS START-UP (OPTIONAL MODULE) 5177
Student Assessment Record (SAR) (Page 1 of 1)

Instructions to Tutor:

Please sign and date this form when the candidate can achieve each objective reliably, consistently and without help. Submit the completed SAR with each assignment to verify it is the candidate's own work.

COMPETENCE CRITERIA

**Please tick when
competence criteria
have been met**

- | | | |
|------------|--|--------------------------|
| 1.0 | Identify and evaluate a proposed business activity | |
| | 1.1 Describe and evaluate a business idea | <input type="checkbox"/> |
| | 1.2 Identify and describe the personal skills required to establish a business | <input type="checkbox"/> |
| 2.0 | Investigate and explain the process of setting up a business | |
| | 2.1 Identify and explain sources of assistance and advice | <input type="checkbox"/> |
| | 2.2 Evaluate the features of different types of business organisations | <input type="checkbox"/> |
| | 2.3 Understand and explain essential business start-up activities | <input type="checkbox"/> |
| | 2.4 Understand and explain supplementary business start-up activities | <input type="checkbox"/> |
| 3.0 | Analyse and explain the elements of Business Finance | |
| | 3.1 Understand the definition of business finance | <input type="checkbox"/> |
| | 3.2 Analyse and explain the reasons for business finance | <input type="checkbox"/> |
| | 3.3 Identify and evaluate the types, sources, and applications of business finance | <input type="checkbox"/> |
| | 3.4 Explain and demonstrate understanding of the process of forecasting costs and profit | <input type="checkbox"/> |
| 4.0 | Understand and produce a business plan | |
| | 4.1 Investigate and explain the nature and purpose of the business plan | <input type="checkbox"/> |
| | 4.2 Demonstrate ability to understand and produce a business plan | <input type="checkbox"/> |
| 5.0 | Choose, investigate and present a business proposal | |
| | 5.1 Prepare a report, including a business plan, for a new business venture | <input type="checkbox"/> |
| | 5.2 Self evaluation | <input type="checkbox"/> |

I state that the competence criteria have been achieved and that the submitted assignment is my own work

I verify that the candidate has achieved all the competence criteria and that the submitted assignment is the candidate's own work

Signed _____

Signed _____

Candidate Name _____

Tutor Name _____

Candidate Number _____

Centre Name _____

Centre Number _____

Date _____

Date _____

ASSIGNMENT GUIDELINES

Business Start-Up

In addition to demonstrating competence in each of the module objectives, candidates must prepare and carry out an assignment. The assignment should be supported by the documents specified in the guidelines below. The assignment covers all of the module aims and selected detailed objectives.

The assignment is described in detail below. Preparation is the key to success and it is suggested that candidates take the following step by step approach:

- read the assignment guidelines carefully and discuss them with the tutor to ensure full and clear understanding of what is required
- write a plan outlining how the tasks are to be approached
- candidates should discuss possible ideas with the tutor, and if necessary modify the plan
- carry out the various steps in the assignment
- produce a written report, ensuring all guidelines and requirements are adhered to.

Reports should ideally be word-processed or typed, but legible hand-written reports are also acceptable.

Presenting your Report

Candidates must present their findings in the form of a written report.

The written report must:

- indicate how the candidate went about the investigation
- demonstrate adequate coverage of the aims and objectives
- be between 1800-2000 words long
- be typed or word-processed (but legible handwriting is also acceptable)
- have a logical structure with clearly presented and explained sections
- have well-summarised findings from the investigation
- have a clear, legible and business-like layout and format.

The Assignment

Choose, investigate and present a business proposal or idea.

Prepare a **report**, which must include a **business plan**, on the development of a business proposal. The plan should include discussion of the product or service, type of business organisation chosen, along with an explanation of how the candidate plans to set up the business. This will include a checklist of activity and sources of business advice and finance.

Criteria for Assessment

The report must demonstrate that candidates have met the following objectives:

- describe and evaluate the business idea [**Competence criteria 1.1**]
- identify and describe his/her personal skills and experience [**Competence criteria 1.2**]
- identify and explain the main sources of business and professional advice [**Competence criteria 2.1**]
- choose and evaluate the type of business organisation [**Competence criteria 2.2**]
- discuss and evaluate the provision of business finance [**Competence criteria 3.1, 3.2, 3.3, 3.4**]
- prepare and explain the action plan or check-list [**Competence criteria 3.3**]
- produce a business plan and report [**Competence criteria 4.1, 4.2, 5.1 and 5.2**]

Undertaking the Assignment

The assignment calls for the investigation into, and discussion of, a business idea or proposal. Candidates should select a product or service which they can produce, develop, acquire or market in their own country (although this does not exclude any import/export activity).

Candidates may have an original idea or, more likely, have noticed a gap in the market which can be exploited with an existing product or service. Please note it is imperative that candidates select an idea that can be readily investigated, i.e. easy access to market research data, background and trade information from appropriate sources (e.g. journals, trade or professional associations, government departments, own primary sources).

The actual business idea proposed is less important than the ability to discuss and assemble a business plan.

If the candidate is a member of a Young Enterprise or Junior Achievement company then they may submit a report on the company's business activity. The report must be the candidate's **own work**.

Candidates should be careful not to be too ambitious with their projects; it should be remembered that they are demonstrating understanding of the module. The actual proposal is less important than their ability to discuss and assemble a business plan.

The investigation will cover **all** aims of the module and this means that the business planning must pay attention to each of the areas but not necessarily in equal measure. The report will be assessed on content, approach, style, presentation, and the coverage of the objectives.

The assignment needs to be completed within 1800-2000 words (excluding any illustrations and appendices). As a general guide the business plan should be the main contribution to the final submission, i.e. not less than half of the assignment. The object of the business plan and report is to win approval and financial backing for the business idea.

The areas of **specific interest and focus** should be as follows:

- The business proposal: a clear and full description of the idea, giving the reason(s) for the choices made.
- The personal skills of the candidate: an explanation of what the candidate believes are his/her skills, and how he/she will use them to make the business a success.
- Sources of advice: a description of potential sources of practical help which might be used to help set up the business and to assist in defining the business objectives.
- Type of business organisation: an indication of which type is preferred and reason(s) why.
- Business Finance: an explanation of how to obtain capital, how much will be needed, and how much the candidate thinks they should personally invest.
- The action plan or check list: identify the main activities to be carried out whilst setting up the business (i.e. this is in the form of a 'must do' list).
- Business Plan: this needs to be detailed and will include reference to appropriate areas of interest, e.g. business objectives, marketing, production, personnel requirements, projected profit.

Tutors should ensure that the Student Assessment Record (SAR) sheets for this module are fully completed and signed, indicating student competence in each area. SARs should be submitted along with the candidate's work. Failure to submit fully complete SARs will result in work being returned. CIE reserves the right to request further evidence, or to inspect the Centre, in cases where there is doubt as to authenticity of submitted work.

Candidates should be encouraged to complete the **Assignment Coversheet for Candidates** in order to ensure that any work submitted for assessment covers the required criteria. The grids can be used to identify where the evidence for the assessment criteria can be found in the assignment.

Centres are required to *actively* ensure authenticity of work before completing the SAR and the declaration of authenticity. Centres will be held responsible if issues of authenticity are not addressed.

In cases where there is doubt about the authenticity of any work submitted to CIE for assessment, CIE reserve the right to undertake appropriate checks, such as telephone or other interviews, to determine whether the work is authentic. Any decisions reached by CIE on matters of authenticity and any subsequent action taken will be final.