

Oxford Cambridge and RSA Examinations



GCSE IN APPLIED BUSINESS: DOUBLE AWARD

1491

TEACHER GUIDANCE

Qualification Accreditation Number 100/1968/6

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1 Introduction

1.1 GCSEs IN VOCATIONAL SUBJECTS

1.1.1 Introduction

GCSEs in vocational subjects have been designed to contribute to the quality and coherence of national provision. They have been developed following widespread consultation by QCA in the autumn of 2000 and are based on Part One GNVQs which received positive Ofsted reports. GCSEs in vocational subjects have a clear place in the Government's vision for secondary education for the next ten years.

These GCSEs have been designed to form qualifications which provide the technical knowledge, skills and understanding associated with each subject at these levels so as to equip candidates with some of the skills they will need in the workplace or in further education or training. They allow candidates to experience vocationally-related learning so as to enable them to decide if it is suitable for them.

GCSEs in vocational subjects are ideal qualifications for those candidates who want a broad background in the subject area and the course of study prescribed by these specifications can reasonably be undertaken by candidates entering the vocational area for the first time. They are designed to enable candidates to make valid personal choices upon completion of the qualification and to progress to further education, training or employment. GCSEs in vocational subjects provide a suitable basis for further study in the chosen subject or for related courses which could include GNVQs, VCEs, GCEs, NVQs or Modern Apprenticeships. They are designed to be delivered in full-time or part-time education.

1.1.2 Titles

This suite of qualifications is known by the generic 'GCSEs in vocational subjects'. The formal title that will appear on candidates' certificates is 'GCSE in *subject* (Double Award)'.

The subjects currently available are:

- Applied Art and Design;
- Applied Business;
- Applied Information and Communication Technology (ICT);
- Applied Science;
- Engineering;
- Health and Social Care;
- Leisure and Tourism;
- Manufacturing.

1.2 ADMINISTRATION

1.2.1 Key Points to Remember

Each unit has a single form of assessment, either internal (portfolio) or external. External assessment is available in January and June from January 2004. Postal portfolio moderation is available in January and June from January 2004. Centres have a responsibility to enter candidates for the correct external assessments and portfolio units.

When entered for portfolio moderation, candidates' internal assessment scores must be submitted to OCR by a specified date (currently 10 January and 15 May). (See Section 1.2.3).

Candidates do not have to pass *all* three units to achieve the award. Good performance in some units can compensate for disappointing performance in others.

1.2.2 Registration, Entry and Certification

In order to offer GCSEs in vocational subjects, Centres should be registered with OCR. If a Centre is not already registered, this may be done through completion of a simple form obtained from the Centre Support Team at the start of the course of study. Centres are not required to register candidates with OCR.

Provisional entries are important because they form the basis for the despatch of coursework and early assessment materials to you and allow OCR to ensure sufficient examiners/moderators are recruited for a session. They are your best guess of the number of candidates you will be entering for particular units in that session. Centres should make provisional entries using form PE1N, currently by 21 September for the January session, and 5 November for the June session.

Entry forms are sent to Examinations Officers and should be returned to OCR by the published final entry date (normally during October and March) in order to enter candidates for January or June assessment. Entries must be made separately for each unit required, whether that unit is assessed externally or by portfolio.

Candidates choose when to claim their certificates. **A separate entry for certification must be made at the same time as the final unit entry. It is essential to remember to make this entry.** A fee is payable for each unit taken. There is no registration fee and no fee for certification.

1.2.3 Documentation

OCR will conduct all administration of the GCSEs in vocational subjects through the Examination Officer at the Centre. Teachers are strongly advised to liaise with their Examination Officer to ensure that they are aware of key dates in the administrative cycle.

Assessment Record materials, including full details of administrative arrangements for portfolio assessment, will be forwarded to Examination Officers in Centres following receipt of provisional entries. At the same time the materials will be made available within the Teacher's Guide and on the OCR website (www.ocr.org.uk). The materials will include master copies of mandatory forms on which to record assessments and will also include optional recording materials for the convenience of Centres. Forms may be photocopied and used as required.

The Assessment Evidence Grids

Centres are required to carry out internal assessment of portfolios using the *Assessment Evidence Grids* in accordance with OCR procedures. The process of using these grids is described in Section 2.4. Candidates' marks are recorded on these grids. One grid should be completed for each candidate's unit portfolio. These grids should be attached to the front of the candidate's portfolio for the unit when sent to the moderator.

When candidates are given their assignments, they should also be issued with a reference copy of the appropriate *Assessment Evidence Grid*.

Candidates' portfolios should be clearly annotated to demonstrate where, and to what level, criteria have been achieved. This will help in the moderation process. If teachers do this well it will be very much in the interests of their candidates. On completion of a unit, the teacher must complete the *Assessment Evidence Grid* and award a mark out of 50 for the unit. Details of this process are described in Section 2.4.

Submission of Marks to OCR

The involvement of OCR begins on receipt of entries for a portfolio unit from a Centre's Examinations Officer. Entries for units to be included in any assessment session must be made by the published entry date. Late entries attract a substantial penalty fee.

By an agreed internal deadline the teacher submits the marks for the unit to the Examinations Officer. Marks will need to be available by the portfolio mark submission dates published by OCR, currently 10 January and 15 May, and internal deadlines will need to reflect this. OCR will supply Centres with *MS1 Internal Assessment Mark Sheets* to record the marks and with instructions for completion. It is essential that Centres send the top copy of these completed forms to OCR, the second copy to the moderator and keep the third copy for their own records.

1.2.4 Portfolio Management

Portfolio work needs to be clearly referenced for easy tracking. It is likely that candidates will produce or collect other materials during teaching and learning activities which should *not* be assessed and should *not* be submitted to the moderator.

Teachers should assess the work as specified in the *Assessment Evidence Grids*. Assessors are required to sign the *Unit Recording Sheets* to confirm that the portfolio work is the candidate's own unaided work. This does not prevent groups of candidates working together to carry out research, but it is important to ensure that each individual candidate's work covers the requirements of the *Assessment Evidence Grid*.

If a Centre is unable to authenticate a candidate's work it must *not* be submitted for assessment.

Centres must complete the appropriate Assignment/Unit Recording Sheet in full and attach it to each piece of work sent for moderation.

Portfolio work provided to a moderator should be easy to access. Candidates are asked to avoid the excessive use of plastic wallets. For subjects where evidence is posted to moderators, Centres are advised to remove work from bulky files, and to ensure that each candidate's work is clearly identified by Centre number, Centre name, Candidate number, Candidate name, specification code and title and unit code.

Portfolio work should be retained until after the published deadline for *Results Enquiries* has passed. Centres may need to consider how the work should be stored after internal assessment has taken place.

1.2.5 Candidate Choice and Course Selection

OCR does not prescribe entry requirements for these GCSEs though appropriate levels of prior learning are specified in the introduction to the specifications.

OCR offers a range of qualifications which have differing assessment routes and may in some circumstances be more suitable for some candidates. These alternative qualifications include Entry Level Certificates, GNVQs, NVQs and OCR Entry Level Vocational Certificates.

1.2.6 Resources

Some GCSE units have significant resource implications and it is important that these are taken into account in selecting which GCSEs to offer. It is important to ensure that appropriate resources are available.

Consideration will need to be given to developing teaching and learning resources, library facilities, ICT and workshop facilities, learning resource centres, etc.

To support teachers using this specification, (also see Section 1.10), OCR will make the following materials available:

- a full programme of In-Service Training meetings arranged by its Training and Customer Support Division (tel. 01223 552950);
- a dedicated subject specific telephone number (01223 552948);
- teacher support material, including exemplar assignments, exemplar portfolio material and schemes of work;
- a coursework consultancy service which will provide Centres with feedback on assessed portfolios. To make use of this service, Centres should submit a sample of work to OCR and arrangements will be made to provide Centres with feedback on the work submitted. Please contact the Subject Officer for further information on this service.

In the future Centres will have access to:

- a subject specific website that will include materials to assist with delivery;
- a report on the examination, compiled by senior examining personnel after each examination session;
- individual feedback to each Centre on the moderation of portfolios;
- e-list (from October 2002) which, once operative, will provide Centres with another information source.

In addition, there are a range of textbooks aimed at GCSE candidates. Although not endorsed by OCR, Centres may wish to make reference to the following texts:

Barrett R	Applied Business GCSE	2002	Nelson Thornes	ISBN 0748 757457
Carysforth C & Neild M	GCSE Applied Business	From Oct 2002	Heinemann	ISBN 0435 447467

In addition, a Tutors Resource File (ISBN 0435 447475) will accompany the above text.

Fardon M	GCSE in Applied Business	2002	Osborne Books	ISBN 1872 962327
SurrIDGE M	Applied Business for GCSE	2002	Collins	ISBN 0007 138083

In addition a Teacher Support Pack (ISBN 0007 138091) will accompany the above text.

Printed materials from companies, especially larger ones, are often presented in an appropriate format for young people. Company reports can be used, but because of the complexity of technical language, edited sections might be more useful.

There are a variety of useful websites that Centres may again wish to refer to in delivery of the specification. Useful sites include:

Unit 1

www.statistics.gov.uk
www.milfac.co.uk/bisindex.html
www.british-franchise.org.uk
www.unilever.com
www.bized.ac.uk
www.bbc.co.uk/education/work.life
www.shell.co.uk

Unit 2

www.businessbureau-uk.co.uk
www.telegraph.co.uk/search
www.bbc.co.uk/news
www.cre.gov.uk
www.careers-gateway.co.uk
www.iipuk.co.uk
www.tradingstandards.gov.uk

Although not yet endorsed by OCR, there is also a CD-ROM package, focusing totally on the this GCSE course, that Centres may be interested in considering. For more details on this software package please contact:

Mr Anthony Hosker
Business Interactive,
Dixons CTC,
Ripley Street,
Bradford,
BD5 7RR.
Tel. 01274 220738
E-mail: anthony@dixonsctc.org.uk.

Centres should also be looking to draw on the following kinds of resources for their candidates:

- visits to businesses and interviews with employers/employees;
- talks given by an informed employee on a functional area of the chosen organisation;
- marketing materials such as brochures, mailshots etc.;
- national and local newspapers, especially business sections;
- the Internet (company homepages).

1.2.7 Moderation

Moderation will ensure reliability of a Centre's assessment of internally assessed portfolio work.

Centres are required to undertake internal standardisation prior to submission of portfolio scores for moderation. The moderator is required to consider a sample of candidates' work independently. Whilst moderators may seek clarification from a Centre, they cannot negotiate portfolio scores in any way.

The moderator must consider whether or not the Centre's assessment is reliable within a defined level of tolerance. The moderator may recommend an increase or reduction in marks for a particular unit, as appropriate.

It is important to ensure that the rank order in a Centre is correct. If Centre assessment is inconsistent, work will be returned to the Centre for re-assessment.

The following principles for the procedure for external moderation have been agreed:

- moderation will occur in both January and June;
- for each subject, the Centre submits to OCR marks for the required portfolio units, for a defined cohort of candidates;
- the moderator selects a sample of candidates;
- the moderator reviews the marks awarded for some or all portfolios to ensure correct application of national standards;
- any necessary adjustments are proposed by the moderator and checked by OCR officers prior to the application of scaling;
- the moderator completes a feedback form for each Centre;
- there will be a feedback report at the end of the moderation process from OCR;
- moderation will be by post. Remember to consult OCR for exact details (www.ocr.org.uk).

1.3 TIMETABLE FOR ASSESSMENT

1.3.1 External Assessment Dates

External assessments are offered in January and June from January 2004.

External assessments are held over a period of several weeks. Centres should check Final Examination Timetables for specific dates. This information is also available on the OCR website (www.ocr.org.uk).

1.3.2 Portfolio Moderation

Portfolio moderation is offered in January and June from January 2004.

1.3.3 Results Issue

Results will be issued in March and August, as currently for GCSEs.

1.4 PLANNING A PROGRAMME

1.4.1 Team Approach

Consideration of a team approach is recommended, with a view to identifying staff responsible for and time devoted to:

- candidate induction;
- delivery and assessment of the units (portfolio and externally assessed);
- candidate guidance and counselling;
- regular assessment planning and feedback;
- internal standardisation;
- delivery and assessment of Key Skills (if integrated into the programme).

1.4.2 Time to Plan

Substantial time is needed for planning the programme, allocating team members' responsibilities, developing assignments and assessments, evaluation and review of the programme.

1.4.3 Candidate Induction

Candidate induction should include familiarisation with:

- the 'vocational' process, encouraging candidates to take responsibility for their own learning;
- all candidate sections of the specification as appropriate;
- the *Assessment Evidence Grids*;
- the Key Skills units and signposting (if appropriate);
- organisation and referencing of portfolios.

1.4.4 External Links

Development of external links with local employers and FE colleges can provide an important resource for vocational GCSE programmes for:

- provision of source materials;
- professional and practitioner input;
- candidate visits;
- work experience;
- teacher placements;
- other means of increasing staff vocational expertise.

1.4.5 Delivery Models

Delivery models may vary and Centres may decide on:

- separate delivery of each unit;
- an integrated approach that uses teaching and learning activities across two or more units.

1.4.6 Timing

Consideration must be given to the timing of the delivery and assessment of units, whether externally tested or internally assessed (see Section 3).

1.5 UNIT STRUCTURE

Units will have some or all of the following sections:

About this Unit includes a brief description for the candidate of the content, purpose and vocational relevance of the unit. It states whether the unit is assessed externally or through portfolio evidence.

What You Need To Learn helps to develop the teaching and learning programme so that the candidates are able to produce the assessment evidence and are prepared for external assessments. *What You Need To Learn* is a framework for teaching and learning. It is written to be clear to candidates. It may be necessary to explain or introduce technical terms and concepts.

Producing the *Assessment Evidence* will allow the candidates to show that they can apply their skills and understanding of the key concepts of the unit. Although teachers must cover everything in the unit in the *What You Need To Learn* section, the candidates have to produce *only* the evidence stated in the *Assessment Evidence Grid* to meet the requirements of each portfolio unit.

You Need to Produce draws on all the learning detailed in *What You Need To Learn*, and specifies higher order activities which require the candidates to bring together the knowledge, skills and understanding and apply them to a vocational context. The assessment evidence requirements are designed to be flexible enough to allow teachers to make use of local opportunities.

The specific requirements to achieve the different grades available are outlined in the three columns.

Achievement of higher grades builds on the lower grades. At higher grades candidates can be expected to show increased sophistication and independence in their work.

In certain units additional tasks will be required for candidates to achieve higher grades. Teachers should refer to the *Guidance for Teachers* for further clarification. The *Guidance for Teachers* also gives suggestions on how to deliver the unit and how to emphasise its vocational context.

Key Skills Guidance provides signposts on how and where aspects of the Key Skills evidence can be integrated into the learning activities or the assessment evidence for the unit. This section does not replace the Key Skills units. Centres may prefer to use alternative Key Skills opportunities in the candidate's learning programme.

1.6 ASSESSING PORTFOLIOS

1.6.1 Applying the Assessment Criteria

The starting point in assessing portfolios is the *Assessment Criteria* within each unit. These list the skills, knowledge and understanding that the candidate is required to demonstrate. The *Guidance for Teachers* within the unit expands on these criteria and clarifies the level of achievement the assessor should be looking for within a candidate's work. General issues are also covered in the *Introduction* to the specification.

A further source of material will be the *Standardisation Handbook* which will be produced by OCR and available to all Centres at the Autumn INSET sessions. It may also be ordered from Publications (publications@ocr.org.uk). The Handbook includes examples of candidates' work, which help to exemplify standards.

In the Autumn and/or Spring terms OCR holds *Training Meetings* on Portfolio Assessment run by senior moderators. Details of these are in the OCR INSET booklets or they may be obtained from the OCR website (www.ocr.org.uk) or from Training and Customer Support Division (tel. 01223 552950).

OCR has formed a network of *Portfolio Consultants*. These are senior moderators who are available to give written advice to Centres on assessment of portfolios. Further details may be obtained from the appropriate Subject Officer (See Section 1.10.5).

1.6.2 Recording Achievement

Unit Recording Sheets are provided by OCR. Additional copies may be obtained from the OCR website (www.ocr.org.uk). Your Examinations Officer should also have a copy of these materials.

Teachers are required to keep a record of candidates' achievements and to indicate where the criteria have been achieved. This document should accompany the portfolio for the unit when sent to the moderator.

1.7 GRADING

GCSE (Double Awards) are graded on a scale from A*A* to GG.

1.7.1 Unit Grades

Teachers assess each portfolio unit and award a raw score on a scale of 0-50. The evidence required to support the award of marks is given in the *Assessment Evidence* section of each unit. The OCR awarding committee will consider portfolios and will determine the grade thresholds for each unit.

The following table indicates the notional thresholds for the unit, but these are subject to adjustment by the awarding committee.

Grade	A*A*	AA	BB	CC	DD	EE	FF	GG
Mark	45	40	35	30	25	20	15	10

The externally assessed unit will be marked by OCR. The maximum raw score will be stated on the front cover of the question paper.

1.7.2 Uniform Marks

Once the raw score for each unit has been established, it will be converted by OCR and reported to candidates as a Uniform Mark out of 100.

Uniform marks correspond to *unit* grades as follows:

	A*A*	AA	BB	CC	DD	EE	FF	GG
UMS (max 100)	90	80	70	60	50	40	30	20

Candidates who fail to achieve the standard for a grade GG will be awarded a Uniform Mark in the range 0-19 and will be recorded as U (unclassified).

1.7.3 Qualification Grades

The uniform marks awarded for each unit will be aggregated and compared to pre-set boundaries. Results for the qualification will be awarded on a scale of A*A* to GG and will be recorded on the certificate as such.

Uniform marks correspond to *overall* grades as follows:

	A*A*	AA	BB	CC	DD	EE	FF	GG
UMS (max 300)	270	240	210	180	150	120	90	60

Candidates who fail to achieve the standard for a grade GG will be awarded a Uniform Mark in the range 0-59 and will be recorded as U (unclassified).

1.8 KEY SKILLS

Key Skills form a separate qualification. However the Key Skills guidance within these qualifications has been designed to support the teaching, learning and assessment of both the GCSE and the Key Skill qualification. The signposting within each unit has been developed to show how vocational and Key Skills achievement can be successfully combined.

Each unit contains guidance on how Key Skills can be demonstrated through that unit. Teachers should refer to the Key Skills specifications in conjunction with the GCSE units.

For further information contact the Key Skills Team at OCR's Coventry office (tel. 024 7647 0033).

1.9 FREQUENTLY ASKED QUESTIONS

An updated set of Frequently Asked Questions may be found on the OCR website (www.ocr.org.uk).

1.9.1 Administration

Q How do I *register* that I want to do GCSEs in vocational subjects?

A *Any Centre that is registered with OCR for existing GCSEs will be automatically registered for these GCSEs in vocational subjects. There is no additional Centre Approval process.*

Centres that are not currently registered for any GCSE qualification with OCR should contact the Centre Support team (tel. 01223 553443) and will be asked to complete a straightforward registration form.

Q Will candidates have a single candidate number for existing GCSEs and these GCSEs in vocational subjects with OCR?

A *Candidates should have a single candidate number for both GCSEs and GCSEs in vocational subjects taken with OCR in a given examination session. A different number may, however, be allocated for entries in different sessions. In addition, for GCSEs in vocational subjects (as for all OCR unit based specifications) a 13-digit Unique Candidate Identifier (UCI) will be required, which should remain unchanged for all qualifications and all examination sessions.*

Q Will candidates still have to register for these GCSEs?

A *No. Candidate entry is made in October for January units and March for June units.*

Q Will candidates be able to enter these GCSEs through EDI?

A *Yes.*

Q When will results be available?

A *Both unit and certification results will be available in March and August (at the same time as other GCSEs) **provided that moderation deadlines have been met**. In 2004, the first certification results will be available in August.*

1.9.2 Grading and Assessment

Q Can a candidate *fail* an individual unit and still pass overall?

A *Yes. Candidates can compensate for relatively weak performance in a unit with relatively strong performance in the other two. The final grade is dependent on the total marks.*

Q Will candidates be able to decline their award?

A *No.*

Q Does candidate evidence have to fulfil *all* the requirements specified in the banner of the *Assessment Evidence Grid* to achieve a grade G?

A *No. The banner specifies the context in which the evidence must be presented and outlines how the points are awarded for the unit, but points equivalent to a grade G may be obtained even though some requirements may not be met. The assessment model used is a **compensatory** model where weakness in an area can be overcome by strength in other areas.*

- Q** What happens to the candidate who has not achieved a first column criterion (in the *Evidence Assessment Grid*), but has achieved a criterion in a later column for the same assessment strand?
- A** *Candidates' work need **not** necessarily fulfil the requirements of the first column criteria (in the Evidence Assessment Grid) before their work can be assessed against criteria in later columns. A 'best fit' approach is to be used. The teacher decides, for each assessment strand (i.e. each row in the grid), which of the three descriptions best fits the work being assessed. The marks awarded to all the strands are aggregated to arrive at the mark for the unit portfolio.*
- Q** Can a candidate lose marks for handing work in late?
- A** *No. Evidence should only be assessed against the assessment criteria and no additional criteria may be added. However, candidates must hand in work in sufficient time to enable Centres to meet OCR's deadlines.*
- Q** How many times can an assessor mark candidates' work before it is submitted for external moderation?
- A** *Candidates' work can be referred and feedback provided as many times as the assessor sees fit before final assessment and marks allocation. However, assessors should be aware that some criteria require candidates to work independently and repeated feedback could prevent achievement of such criteria.*
- Q** Are witness statements, observation records etc. acceptable evidence for a unit?
- A** *All forms of evidence are acceptable providing they **meet the requirements** of both the banner and criteria. This type of evidence is very much within the spirit of vocationally related awards. All witness statements, observation records etc. should be as detailed as possible **and clearly referenced** against the criteria. However, this type of evidence is unlikely to provide the sole source of evidence for a unit.*
- Q** How do we know if we are applying the national standard when assessing candidates' work?
- A** *OCR and other organisations will be providing support through events and publications and after the first round of moderation you will receive written feedback on how your assessments met national standards.*
- OCR will produce a series of publications which exemplify standards.*
- Q** Should candidates' work be internally standardised?
- A** *Yes. The Code of Practice requires that OCR provides you with instructions to ensure that your internal standardisation arrangements reflect the requirements of moderation. Centres need to standardise candidates' work internally to ensure that standards are being applied consistently. Centres should satisfy themselves that standards are comparable between units within a subject.*

- Q** What forms will the external assessments take?
- A** *Generally these are single papers, marked out of 100, of one and a half hours duration. Exceptions are Applied Science which is a single tiered paper marked out of 70 and Applied Art and Design which is a ten hour practical based on pre-release material/work.*
- Q** Is full coverage of the criteria necessary to pass the external assessment?
- A** *External assessment will cover **all** the criteria associated with the unit. Each question has a number of marks attached to it. These are totalled to give a final mark irrespective of which criteria the questions related to. The final mark is compared to the boundary mark for each grade determined by the awarding body and this final mark is converted to a Uniform Mark Score.*
- Q** What does it mean when OCR say there will be a *three mark tolerance* in the external moderation of portfolio units?
- A** *Provided there is consistently **no more** than a three mark difference between the marks you award to a candidate's work and that awarded by the moderator, **your** assessment and allocated marks will not be adjusted. If **all** the differences between moderator and Centre marks are three or less, then the Centre marks are accepted.*

1.9.3 Miscellaneous

- Q** Do teachers of GCSEs in vocational subjects need to have worked in the vocational area they are teaching?
- A** *No, but Centres need to ensure that teachers have sufficient up to date knowledge and experience to be able to teach/assess a unit appropriately. There are a number of routes available by which staff may gain a vocational insight and these are to be encouraged e.g. work shadowing, mentoring.*
- Q** Do teachers of GCSEs in vocational subjects need specific qualifications such as GPA or D units?
- A** *No. Centres need to ensure they have the staff resources required for effective teaching/assessment of each GCSE. This may necessitate in-house training for teachers and those responsible for internal standardisation to ensure consistency in the interpretation and application of national standards.*
- Q** How will Centres trigger the moderation process?
- A** *By entering candidates for the portfolio units.*

- Q** Will candidates be able to resubmit portfolio work for assessment?
- A** *Candidates may rework their portfolios in consultation with their teachers. Moderators will, of course, need to know what additional advice has been received. After the portfolio has been formally assessed and the marks submitted to OCR, candidates may re-submit that portfolio **once more** at a later session in order to improve their mark.*
- Q** Will candidates be able to rework portfolio work for assessment *after* marks have been submitted to OCR?
- A** *No. Once marks have been submitted no further work may be undertaken in that session.*
- Q** Will re-sits of *external* assessments be available?
- A** *Yes, but candidates may re-sit each external assessment **once** only prior to certification. The higher mark will count towards the qualification.*
- Q** What happens to the candidate who is entered for external assessment but does not attend?
- A** *The entry is **not** counted for re-sit purposes but will score zero if they choose to aggregate.*
- Q** What does a moderator do?
- A** *Your moderator will sample your assessments of candidate work to ensure that internal assessments are to the appropriate national standards. Moderators will **not** discuss the work of individual candidates and will **not** be providing advice and guidance to Centres. Your Centre will receive written feedback from the awarding body at the end of the moderation process.*
- Q** What is the difference between *internal* standardisation and *external* moderation?
- A** ***Internal** standardisation should ensure consistency of assessment decisions within a Centre whereas **external** moderation ensures that individual Centre assessment decisions are in line with national standards. Candidates' marks allocation may be adjusted as a result of moderation if Centres assessment decisions are significantly different from those of the moderator.*

Q What are the *procedures* for external moderation?

A *The following principles have been agreed:*

- *moderation will occur in both January and June;*
- *for each subject, the Centre submits to OCR marks for the required portfolio units, for a defined cohort of candidates;*
- *the moderator selects a sample of candidates;*
- *the moderator reviews the marks awarded for some or all portfolios to ensure correct application of national standards;*
- *any necessary adjustments are proposed by the moderator and checked by OCR officers prior to the application of scaling;*
- *the moderator completes a feedback form for each Centre;*
- *there will be a feedback report at the end of the moderation process from OCR;*
- *moderation will be by post. Remember to consult OCR for exact details (www.ocr.org.uk).*

Q What happens if Centres do not submit *sufficient* candidate work for moderation before the cut-off date?

A *OCR will not be able to guarantee candidates results will be available on the advertised dates, though it will make every effort to do so. Centres that are unable to meet these deadlines must write to OCR explaining their reasons.*

Q How much teaching time will the new GCSEs in vocational subjects require?

A *The new GCSEs in vocational subjects will require equivalent teaching time to **two** existing GCSEs.*

1.10 HELP AND SUPPORT

1.10.1 General Information

The OCR Website address is: www.ocr.org.uk

1.10.2 General Enquiries on GCSEs in Vocational Subjects

Contact the OCR Information Bureau on 01223 553998 or e-mail helpdesk@ocr.org.uk

1.10.3 Requests for Publications

Tel: 0870 870 6622

Fax: 0870 870 6621

E-mail: publications@ocr.org.uk

1.10.4 Entries

Entries are made through Examinations Officers. Enquiries relating to entries should be made only by Examinations Officers to the Candidate Data team on 01223 552599.

1.10.5 Subject-Specific Support

For all subject-specific enquiries other than those listed above, help and support is available from OCR Subject Officers: Applied Business Tel: 01223 552948.

1.10.6 In-Service Training

Contact the Training and Customer Support team on 01223 552950.

2 The Mechanics of Grading Portfolios

2.1 SOURCES OF GUIDANCE

The starting point in assessing portfolios is the *Assessment Evidence Grid* [see Section 2.2] within each portfolio unit in each specification. These contain levels of criteria for the skills, knowledge and understanding that the candidate is required to demonstrate. The *Guidance for Teachers* within the unit expands on these criteria and clarifies the level of achievement the teacher should be looking for when awarding marks.

At INSET sessions in the Autumn term OCR will provide examples of candidates' work which help to exemplify standards around grades AA, CC and FF that have been agreed with QCA and the other Awarding Bodies.

In the Autumn and Spring terms OCR will hold training meetings on portfolio assessment led by senior GCSE moderators. Details are in the OCR INSET booklets which are sent to Centres in the Summer term or they may be obtained from the Training and Customer Support Division on 01223 552950. They are also published on the OCR website (www.ocr.org.uk).

OCR also operates a network of Portfolio Consultants. Centres can obtain advice on assessment of portfolios from an OCR Portfolio Consultant. These are both subject specialists and senior moderators. Details may be obtained from the OCR Subject Officer or Helpdesk (see Section 1.10).

<p>c1 For one business describe the different methods of oral and written communication used and describe, with examples, how it uses ICT to communicate and operate.</p> <p style="text-align: right;">0 1 2 3 4 5 6 7</p>	<p>c2 For the business selected in c1 analyse the effectiveness of the communication methods used:</p> <ul style="list-style-type: none"> • inside functional areas; • between functional areas; • with people and organisations outside the business. <p style="text-align: right;">8 9 10 11 12</p>	<p>c3 On the basis of their analysis, for the business investigated in c1 and c2, suggest and justify alternative or improved methods of communication:</p> <ul style="list-style-type: none"> • inside functional areas; • between functional areas; • with people and organisations outside the business. <p style="text-align: right;">13 14 15</p>		15
<p>d1 Identify the main external influences on their two chosen businesses including reference to competitors, economic conditions and environmental constraints.</p> <p style="text-align: right;">0 1 2 3 4 5</p>	<p>d2 Explain the impact on their two chosen businesses of changes in external influences, including reference to competitors, economic conditions and environmental constraints.</p> <p style="text-align: right;">6 7 8 9</p>	<p>d3 Having fully explored changes in external influences, including reference to competitors, economic conditions and environmental constraints, suggest and justify ways in which their two chosen businesses could respond to these changes.</p> <p style="text-align: right;">10 11 12</p>		12
<p>Note: Although you will be given an interim mark out of 50 by your teacher, this might be adjusted by OCR to make sure that your mark is in line with national standards.</p>			Total	50

2.3 DETERMINING A CANDIDATE'S MARK

Each unit portfolio should be marked by the teacher according to the criteria in the *Assessment Evidence Grid* [See Section 2.2]. This specifies the evidence candidates need to produce in order to meet the requirements of each portfolio unit. It is divided into the following parts:

- *You need to produce* – this banner heading sets the context for providing the evidence, e.g. a report, an investigation, etc;
- *A typical candidate at grades GG to EE etc. will:* – this describes the quality of the work a candidate needs to demonstrate in order to achieve the grades specified.

Each row in the grid comprises a strand showing the development of a given criterion and corresponds to a point (**a, b, c** etc.) in the banner.

Each column describes the work undertaken by a candidate working within a range of grades. The criterion in the first column describes typical attainment of a candidate working within the range of grades GG to EE. The second column describes the work of a typical candidate working at grades DD, CC and the lower half of grade BB whilst the third column describes the work of a typical candidate working at the upper half of grade BB, grades AA and A*A*.

The maximum mark for that strand is shown in the right hand column.

Teachers use their professional judgement and circle the mark that *best fits* the work of the candidate and also record it in the column headed *Mark*.

Centres should use the full range of marks available to them; Centres must award *full* marks in any band for work which fully meets the criteria. This is work which is 'the best one could expect from candidates working at GCSE (Double Award) level'.

Only one mark per strand/row will be entered. The final mark for the candidate is out of a total of 50 and is found by totalling the marks for each strand.

Example: For a candidate's work that comfortably satisfies criterion **c2** and may be perceived as equivalent to the work of a grade CC candidate, a mark of **10** should be awarded on the scale for this strand of 0-15.

A typical candidate at grades GG, FF, EE will:	A typical candidate at grades DD, CC, BB will:	A typical candidate at grades BB, AA, A*A* will:	Mark	Max
<p>c1 For one business describe the different methods of oral and written communication used and describe, with examples, how it uses ICT to communicate and operate.</p> <p style="text-align: right;">0 1 2 3 4 5 6 7</p>	<p>c2 For the business selected in c1 analyse the effectiveness of the communication methods used:</p> <ul style="list-style-type: none"> • inside functional areas; • between functional areas; • with people and organisations outside the business. <p style="text-align: right;">8 9 10 11 12</p>	<p>c3 On the basis of their analysis, for the business investigated in c1 and c2, suggest and justify alternative or improved methods of communication:</p> <ul style="list-style-type: none"> • inside functional areas; • between functional areas; • with people and organisations outside the business. <p style="text-align: right;">13 14 15</p>	10	15

The further guidance below clarifies the criteria in the *Assessment Evidence Grid* and will help you to determine the appropriate mark to be awarded for each strand. The marks should then be added to give a total mark out of 50. Section 2.7.1 in the specification explains how this mark will be converted to unit grades.

Criterion	Exemplification
a1	<p>Candidates should be encouraged to select businesses from different sectors and which carry out different activities. For each of the two contrasting businesses, candidates must describe the:</p> <ul style="list-style-type: none"> • activity/activities – including an understanding of the business sector(s) in which they operate, main customers, main competitors and any changes which have taken place in these activities over recent years; • ownership – showing an understanding of the limited and unlimited liability; • location – where the businesses are located and what influenced their choice; • aims and objectives – showing understanding that objectives need to be measurable.
a2	For the two chosen businesses the candidates must compare activity/activities, location, ownership and aims and objectives and then identify the main differences between them.
a3	Candidates must suggest and justify any changes that each business could make to enable the aims and objectives to be met more effectively.

Criterion	Exemplification
b1	For one of the chosen businesses, candidates must investigate and describe at least three functional areas (for example finance, administration and ICT support, operations, marketing and sales, research and development). Human resources and customer service have been excluded as these will be covered in detail in Unit 2: <i>People and business</i> . Candidates must describe the range of activities carried out by each functional area.
b2	Candidates must show that they understand how the functional areas work together to support the business activity. They must use examples from the chosen business and highlight some of the differences between contributions made by the different functional areas.
b3	Candidates must show a good critical understanding and evaluation skills to assess how effectively the functional areas work together to achieve the aims and objectives of the business.
c1	For one of the chosen businesses, candidates must describe at least six methods of communication, covering oral, written and ICT based methods. They should show an understanding of the nature and content of the communication, who it is for and why the type of method is appropriate (for example speed, confidentiality, large or small audience, need for discussion, need for record-keeping). Candidates must also describe, with examples, at least three uses of ICT in the operation of the business (for example accounts, payroll, customer records, stock records).
c2	Candidates must investigate and analyse the effectiveness of the communication methods used by the one business: <ul style="list-style-type: none"> • internally within functional areas; • internally between functional areas; • externally with outside contacts.
c3	Candidates must suggest and justify alternative or improved methods of communication based on their investigation of the business described and analysed in c1 and c2 .
d1	Candidates must identify the main external influences on each of the two chosen businesses: <ul style="list-style-type: none"> • business competitors (local, national, international) – price, quality, availability, customer characteristics; • economic conditions – interest rates, prices, exchange rates; • environmental constraints – protection of the environment and prevention of damage to people and national resources.
d2	Candidates must explain the impact of changes in external influences on each of the two chosen businesses.
d3	Candidates must suggest and justify ways in which each of the two chosen businesses could respond to changes in external influences.

3 Delivering the Specification

3.1 DELIVERING THE SPECIFICATION OVER TWO YEARS

3.1.1 A Possible Two Year Programme of Delivery:

Term	Delivery	Assessment
1	Teach Unit 1: <i>Investigating Business</i> .	
2	Continue teaching Unit 1; Start teaching Unit 3: <i>Business Finance</i> .	
3	Continue teaching Unit 3.	Unit 1 portfolio.
4	Continue teaching Unit 3; Start teaching Unit 2: <i>People in business</i> .	
5	Continue teaching Unit 2.	Unit 3 test; Re-sit Unit 1.
6	Continue teaching Unit 2.	Unit 2 portfolio Re-sit Unit 3.

3.1.2 A Possible Two Year Scheme of Work:

Term 1: Unit 1

Week	Topic
1	Introduction: <ul style="list-style-type: none"> • to the course; • to Unit 1: <i>Investigating Business</i>.
2	1.1 Aims and objectives <ul style="list-style-type: none"> • Importance of aims and objectives; • Aims: <ul style="list-style-type: none"> – making a profit; – providing goods or a service; – surviving or expanding;
3	<ul style="list-style-type: none"> – maximising sales; – improving the quality of products and services; – providing a highly competitive service; – providing charitable or voluntary services; – being environmentally friendly.
4	<ul style="list-style-type: none"> • Objectives: <ul style="list-style-type: none"> – selling more than competitors; – increasing production/providing more services; – providing new goods/services; – improving products/services.

5	<p>1.2 Ownership</p> <ul style="list-style-type: none"> • Sole traders; • Partnerships; • Limited companies; • PLCs (public limited companies);
6	<ul style="list-style-type: none"> • Franchises; • Co-operatives; • Public sector.
7	<p>1.3 Business location</p> <ul style="list-style-type: none"> • Influences of: <ul style="list-style-type: none"> – skills base in a particular area; – cost of labour; – local government changes; – industrial inertia (history and tradition).
8	<ul style="list-style-type: none"> – financial support and grants; – transport links; – proximity of customers; – sales techniques (telephone, internet, mail order, etc.).
9	<p>1.4 Business activity</p> <ul style="list-style-type: none"> • Sale of goods (retail, wholesale, mail order, Internet); • Manufacturing goods (consumer and capital goods); • Producing raw goods (agriculture, mining, fishing).
10	<ul style="list-style-type: none"> • Client services: <ul style="list-style-type: none"> – finance; – leisure; – health; – Internet.
11	<ul style="list-style-type: none"> • Other services: <ul style="list-style-type: none"> – transport; – communications.
12	<ul style="list-style-type: none"> • Sectors of industry: <ul style="list-style-type: none"> – primary; – tertiary; – secondary; – change in sectors.
13	<ul style="list-style-type: none"> • Changes in activities: <ul style="list-style-type: none"> – levels of consumer spending on goods and services; – employment in different activities; – value of goods and services produced; – effect of technological developments.

Term 2: Unit 1 (continued) and Unit 3

1	1.5 Functional areas <ul style="list-style-type: none"> • Human resources;
2	<ul style="list-style-type: none"> • Finance;
3	<ul style="list-style-type: none"> • Administration and ICT Support; • Operations;
4	<ul style="list-style-type: none"> • Marketing and Sales; • Customer Service; • Research and Development.
5	1.6 The uses of ICT <ul style="list-style-type: none"> • Cutting costs; • Improving goods; • Improving services;
6	<ul style="list-style-type: none"> • Electronic inter-departmental communications; • Shared internal data; • Security systems; • External communications; • On-line customer support; • Electronic transactions.
7	1.7 Business communications <ul style="list-style-type: none"> • Within functional areas; • Outside functional areas; • Outside the business as a whole;
8	<ul style="list-style-type: none"> • Methods of communication: <ul style="list-style-type: none"> – oral; – written; – video; – graphical.
9	1.8 External influences <ul style="list-style-type: none"> • Competition; • Economic conditions; • Environmental constraints.
10	Complete Unit 1 Portfolio Evidence
11	Introduction to Unit 3: <i>Business Finance</i>.
12	3.1 Financial documents used to make a business purchase <ul style="list-style-type: none"> • Purchase orders; • Delivery notes; • Goods received notes;

13	<ul style="list-style-type: none"> • Invoices; • Credit notes; • Statements of account sent by the business;
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Term 3: Unit 3 continued

1	<ul style="list-style-type: none"> • Remittance advice slips; • Cheques; • Receipts.
2	<p>3.2 Investigating methods of making and receiving payments</p> <ul style="list-style-type: none"> • Payment by cash; • Payment by cheque; • Payment by credit card; • Payment by debit card; • Credit transfer; • Direct debit.
3	<p>3.3 Covering the costs of a new product or service</p> <ul style="list-style-type: none"> • Sources of revenue; • Start-up costs; • Running costs; • Using ICT to help reduce costs.
4	<p>3.4 Using a cash flow forecast</p> <ul style="list-style-type: none"> • The importance of cash flow forecasts: <ul style="list-style-type: none"> – Predicting; – Decision making; – Investment; – Expansion;
5	<ul style="list-style-type: none"> • Inflows; • Outflows; • Balances; • Cash flows using ICT and spreadsheets.
6	<p>3.5 Using a budget</p> <ul style="list-style-type: none"> • Define budgets; • The importance of budgets; • Contents of a budget; • Preparing budgets; • Changing budgets.

7	3.6 Calculating the break-even point <ul style="list-style-type: none"> • Defining break-even; • Variable costs; • Fixed costs; • Revenue;
8	<ul style="list-style-type: none"> • Constructing break-even charts; • Uses of break-even charts.
9	3.7 Calculating the profit or loss of a business <ul style="list-style-type: none"> • Profit and loss statements; • Calculating profit and loss;
10	<ul style="list-style-type: none"> • Computerised profit and loss statements; • Computerised break-even charts.
11	3.8 Understanding a balance sheet <ul style="list-style-type: none"> • Format of a balance sheet; • Uses of a balance sheet;
12	<ul style="list-style-type: none"> • Calculating assets and liabilities.
13	3.9 The importance of business accounts <ul style="list-style-type: none"> • The importance of business accounts; • Uses of business accounts; • Stakeholders differing interests in business accounts.

Term 4: Unit 3 (continued) and Unit 2

1	3.10 Sources of business finance <ul style="list-style-type: none"> • Owners' funds; • Profits; • Issuing shares;
2	<ul style="list-style-type: none"> • Government grants; • Sales of assets; • Loans; • Venture capital; • Hiring and leasing.
3	3.11 Financial planning <ul style="list-style-type: none"> • Importance of financial planning; • Uses of financial documents to plan for: <ul style="list-style-type: none"> – expansion; – unexpected events; – cost reductions.
4	Review of Unit 3
<p>The number of teaching weeks for Unit 3 is 20. A further 3 weeks have been included for examination preparation and revision for the Unit 3 examination. [These should be used at the beginning of Term 5 to lead into the examination in January 2004]</p>	

5	Introduction to Unit 2: <i>People and business</i>
6	2.1 Stakeholders <ul style="list-style-type: none"> • Customers; • Employees; • Owners and shareholders;
7	<ul style="list-style-type: none"> • Local community; • Government; • Pressure groups; • Suppliers; • Financiers.
8	2.2 Investigating job roles <ul style="list-style-type: none"> • Managers; • Supervisors; • Operatives; • Support Staff;
9	<ul style="list-style-type: none"> • Job descriptions; • Organisation charts;
10	<ul style="list-style-type: none"> • Job roles: <ul style="list-style-type: none"> – tasks and activities; – key responsibilities; – job security; – decision making/problem solving; – skills, qualifications and personal qualities; – related pay and benefits.
11	2.3 Working arrangements <ul style="list-style-type: none"> • Contract of Employment: <ul style="list-style-type: none"> – types of employment; – hours of work/types of work; – places of work; – pay and benefits.
12	<ul style="list-style-type: none"> • Flexibility at work to: <ul style="list-style-type: none"> – increase productivity; – improve quality; – improve competitiveness; – introduce and use new technology; – introduce team-working and multi-skilling.
13	2.4 Rights of employers and employees <ul style="list-style-type: none"> • Employers' expectations; • Employees' expectations;

Term 5: Unit 3 (continued) and Unit 2 (continued)

1	Preparation and revision for Unit 3;
2	Examination Unit 3;
3	Submit Unit 1 portfolio.
4	Review Unit 2 work from Term 4.
5	<p>2.4 Rights of employers and employees (continued)</p> <ul style="list-style-type: none"> • Legal rights at work: <ul style="list-style-type: none"> – equal pay; – anti-discrimination legislation; – working hours and employment rights; – health and safety; – access to personal information.
6	<p>2.5 Resolving disagreements</p> <ul style="list-style-type: none"> • Grievance procedures; • Negotiations with trade unions/staff associations; • Employment tribunals; • Arbitration services; • European Courts of Justice.
7	<p>2.6 Recruitment and training:</p> <ul style="list-style-type: none"> • The importance of recruitment; • Managing the recruitment process: <ul style="list-style-type: none"> – recruitment and the law;
8	<ul style="list-style-type: none"> – identifying job vacancies; – job descriptions; – job and person specifications; – advertising job vacancies;
9	<ul style="list-style-type: none"> – application forms; – letters of application; – curriculum vitae;
10	<ul style="list-style-type: none"> – shortlisting; – interviewing; – selection and appointment; – letters of appointment;
11	<ul style="list-style-type: none"> • Staff development and training: <ul style="list-style-type: none"> – appraisal/performance reviews; – ongoing training;
12	<ul style="list-style-type: none"> – retraining for new technology and new work practices; – Investors In People and National Training Awards.
13	<p>2.7 Customer service</p> <ul style="list-style-type: none"> • Importance of customers; • Internal/external customers; • Customer expectations; • Features of customer service;

Term 6: Unit 2 continued

1	<ul style="list-style-type: none"> • Customer satisfaction: <ul style="list-style-type: none"> – why it is important; – how it is measured; – market research and customer satisfaction; – improving and developing customer service;
2	<ul style="list-style-type: none"> • Consumer law and consumer protection: <ul style="list-style-type: none"> – sale of goods/services; – labelling of products;
3	<ul style="list-style-type: none"> – health and safety; – misuse of information.
4	Complete Unit 2 Portfolio Evidence.
5	Submit Unit 2 portfolio.
6	<i>Any time available after week 5 can be used to support candidates who wish to upgrade their portfolio work as well as revision time for those candidates re-sitting the Unit 3 examination.</i>

3.2 DELIVERING THE SPECIFICATION OVER ONE YEAR

3.2.1 A Possible One Year Programme of Delivery:

Term	Delivery	Assessment
1	Teach Unit 3: <i>Business finance</i> ; Prepare for Unit 3 test.	
2	Teach Unit 1: <i>Investigating business</i> ; Complete Unit 1 portfolio; Start teaching Unit 2: <i>People in business</i> ;	Unit 3 test.
3	Continue to teach Unit 2; Complete Unit 2 portfolio.	Unit 1 portfolio; Unit 2 portfolio; Re-sit Unit 3.

3.2.2 A Possible One Year Scheme of Work:

Term 1: Unit 3

Week	Topic
1	<p>Introduction:</p> <ul style="list-style-type: none"> • to the course; • to Unit 3: <i>Business Finance</i>.
2	<p>3.1 Financial documents used to make a business purchase</p> <ul style="list-style-type: none"> • Purchase orders; • Delivery notes; • Goods received notes; • Invoices;
3	<ul style="list-style-type: none"> • Credit notes; • Statements of account sent by the business; • Remittance advice slips; • Cheques; • Receipts.
4	<p>3.2 Investigating methods of making and receiving payments</p> <ul style="list-style-type: none"> • Payment by cash; • Payment by cheque; • Payment by credit card; • Payment by debit card; • Credit transfer; • Direct debit.
5	<p>3.3 Covering the costs of a new product or service</p> <ul style="list-style-type: none"> • Sources of revenue; • Start-up costs; • Running costs; • Using ICT to help reduce costs.
6	<p>3.4 Using a cash flow forecast</p> <ul style="list-style-type: none"> • The importance of cash flow forecasts: <ul style="list-style-type: none"> – Predicting; – Decision making; – Investment; – Expansion; – Inflows; – Outflows; – Balances; – Cash flows using ICT and spreadsheets.

7	<p>3.5 Using a budget</p> <ul style="list-style-type: none"> • Define budgets; • The importance of budgets; • Contents of a budget; • Preparing budgets; • Changing budgets.
8	<p>3.6 Calculating the break-even point</p> <ul style="list-style-type: none"> • Defining break-even; • Variable costs; • Fixed costs; • Revenue; • Constructing break-even charts; • Uses of break-even charts.
9	<p>3.7 Calculating the profit or loss of a business</p> <ul style="list-style-type: none"> • Profit and loss statements; • Calculating profit and loss; • Computerised profit and loss statements; • Computerised break-even charts.
10	<p>3.8 Understanding a balance sheet</p> <ul style="list-style-type: none"> • Format of a balance sheet; • Uses of a balance sheet; • Calculating assets and liabilities. <p>3.9 The importance of business accounts</p> <ul style="list-style-type: none"> • The importance of business accounts; • Uses of business accounts; • Stakeholders differing interests in business accounts.
11	<p>3.10 Sources of business finance</p> <ul style="list-style-type: none"> • Owners' funds; • Profits; • Issuing shares; • Government grants; • Sales of assets; • Loans; • Sales of assets; • Loans; • Venture capital; • Hiring and leasing.

12	<p>3.11 Financial planning</p> <ul style="list-style-type: none"> • Importance of financial planning; • Uses of financial documents to plan for: <ul style="list-style-type: none"> – expansion; – unexpected events; – cost reductions.
13	Preparation and revision for Unit 3 examination.

Term 2: Unit 3 (continued) and Unit 1 and Unit 2

1	<p>Preparation and revision continued.</p> <p>Examination Unit 3.</p>
2	<p>Introduction to Unit 1: <i>Investigating Business</i>.</p> <p>1.1 Aims and objectives</p> <ul style="list-style-type: none"> • Importance of aims and objectives; • Aims: <ul style="list-style-type: none"> – making a profit; – providing goods or a service; – surviving or expanding; – maximising sales; – improving the quality of products and services; – providing a highly competitive service; – providing charitable or voluntary services; – being environmentally friendly; • Objectives: <ul style="list-style-type: none"> – selling more than competitors; – increasing production/providing more services; – providing new goods/services; – improving products/services.
3	<p>1.2 Ownership</p> <ul style="list-style-type: none"> • Sole traders; • Partnerships; • Limited companies; • PLCs (public limited companies); • Franchises; • Co-operatives; • Public sector.

4	<p>1.3 Business location</p> <ul style="list-style-type: none"> • Influences of: <ul style="list-style-type: none"> – skills base in a particular area; – cost of labour; – local government changes; – industrial inertia (history and tradition); – financial support and grants; – transport links; – proximity of customers; – sales techniques (telephone, internet, mail order, etc.).
5	<p>1.4 Business activity</p> <ul style="list-style-type: none"> • Sale of goods (retail, wholesale, mail order, Internet); • Manufacturing goods (consumer and capital goods); • Producing raw goods (agriculture, mining, fishing); • Sectors of industry: <ul style="list-style-type: none"> – primary; – tertiary; – secondary; – change in sectors;
6	<ul style="list-style-type: none"> • Client services: <ul style="list-style-type: none"> – finance; – leisure; – health; – Internet; • Other services: <ul style="list-style-type: none"> – transport; – communications; • Changes in activities: <ul style="list-style-type: none"> – levels of consumer spending on goods and services; – employment in different activities; – value of goods and services produced; – effect of technological developments.
7	<p>1.5 Functional areas</p> <ul style="list-style-type: none"> • Human resources; • Finance;
8	<ul style="list-style-type: none"> • Administration and ICT Support; • Operations; • Marketing and Sales; • Customer Service; • Research and Development.

9	<p>1.6 The uses of ICT</p> <ul style="list-style-type: none"> • Cutting costs; • Improving goods; • Improving services; • Electronic inter-departmental communications; • Shared internal data; • Security systems; • External communications; • On-line customer support; • Electronic transactions.
10	<p>1.7 Business communications</p> <ul style="list-style-type: none"> • Within functional areas; • Outside functional areas; • Outside the business as a whole; • Methods of communication: <ul style="list-style-type: none"> – oral; – written; – video; – graphical. – electronic.
11	<p>1.8 External influences</p> <ul style="list-style-type: none"> • Competition; • Economic conditions; • Environmental constraints. <p>Complete Unit 1 Portfolio Evidence.</p>
12	<p>Introduction to Unit 2: <i>People and business</i>;</p> <p>2.1 Stakeholders</p> <ul style="list-style-type: none"> • Customers; • Employees; • Owners and shareholders; • Local community; • Government; • Pressure groups; • Suppliers; • Financiers.

13	<p>2.2 Investigating job roles</p> <ul style="list-style-type: none"> • Managers; • Supervisors; • Operatives; • Support Staff; • Job descriptions; • Organisation charts; • Job roles: <ul style="list-style-type: none"> – tasks and activities; – key responsibilities; – job security; – decision making/problem solving; – skills, qualifications and personal qualities; – related pay and benefits.
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Term 3: Unit 2 continued

1	<p>2.3 Working arrangements</p> <ul style="list-style-type: none"> • Contract of Employment: <ul style="list-style-type: none"> – types of employment; – hours of work/types of work; – places of work; – pay and benefits. • Flexibility at work to: <ul style="list-style-type: none"> – increase productivity; – improve quality; – improve competitiveness; – introduce and use new technology; – introduce team-working and multi-skilling.
2	<p>2.4 Rights of employers and employees</p> <ul style="list-style-type: none"> • Employers' expectations; • Employees' expectations; • Legal rights at work: <ul style="list-style-type: none"> – equal pay; – anti-discrimination legislation; – working hours and employment rights; – health and safety; – access to personal information. <p>2.5 Resolving disagreements</p> <ul style="list-style-type: none"> • Grievance procedures; • Negotiations with trade unions/staff associations; • Employment tribunals; • Arbitration services; • European Courts of Justice.

3	<p>2.6 Recruitment and training:</p> <ul style="list-style-type: none"> • The importance of recruitment; • Managing the recruitment process: <ul style="list-style-type: none"> – recruitment and the law; – identifying job vacancies; – job descriptions; – job and person specifications; – advertising job vacancies; – shortlisting; – interviewing; – selection and appointment; – curriculum vitae; – application forms; – letters of application; – letters of appointment.
4	<ul style="list-style-type: none"> • Staff development and training: <ul style="list-style-type: none"> – appraisal/performance reviews; – ongoing training; – retraining for new technology and new work practices; – Investors In People and National Training Awards.
5	<p>2.7 Customer service</p> <ul style="list-style-type: none"> • Importance of customers; • Internal/external customers; • Customer expectations; • Customer satisfaction: <ul style="list-style-type: none"> – why it is important; – how it is measured; – market research and customer satisfaction; • Features of customer service; • Improving and developing customer service;
6	<ul style="list-style-type: none"> • Consumer law and consumer protection: <ul style="list-style-type: none"> – sale of goods/services; – labelling of products; – health and safety; – misuse of information.
7	<p>Complete Unit 1 Portfolio Evidence; Submit both portfolios (Units 1 and 2).</p>

4 Portfolio Unit 1: Investigating Business

4.1 PORTFOLIO EVIDENCE REQUIRED

You need to produce a portfolio based on your investigation of **two** contrasting businesses. You should include information selected from your own work and materials you have collected on each business. Evidence can be met by addressing the following criteria:

a (Investigate) what each business does, its aims and objectives, the type of ownership and location

Candidates must describe the activity, location, ownership and aims and objectives of their **two** chosen businesses (**a1**). Candidates could compare these and identify the main differences between them (**a2**). Candidates could also, having fully explored these features, suggest and justify changes that each could make to enable them to be more effective (**a3**).

b (Investigate) the purposes and activities of the functional areas

Candidates must describe the type of work carried out by at least **three** functional areas of **one** of their chosen businesses (**b1**). Candidates could explain, using examples, how these functional areas work together to support the business activity (**b2**). Candidates could also evaluate how effectively these functional areas work together to achieve the aims and objectives of the business (**b3**).

c (Investigate) how the different areas of the business communicate

Candidates must, for **one** business, describe the different methods of oral and written communication used and describe, with examples, how it uses ICT to communicate and operate (**c1**). Candidates could, for this business, analyse the effectiveness of the communication methods used inside and between functional areas, and with people and organisations outside the business (**c2**). Candidates could also, on the basis of their analysis of this business, suggest and justify alternative or improved methods of communication inside and between functional areas, and with people and organisations outside the business (**c3**).

d (Investigate) the external influences, including reference to competitors, economic conditions and environmental constraints

Candidates must identify the main external influences on their **two** chosen businesses* (**d1**). Candidates could explain the impact on these businesses of changes in external influences* (**d2**). Candidates could also, having fully explored changes in external influences*, suggest and justify ways in which these businesses could respond to these changes (**d3**).

* Including reference to competitors, economic conditions and environmental constraints.

4.2 BACKGROUND

For the assessment evidence for this unit, candidates will need to produce an in-depth portfolio based on an investigation of **two contrasting** businesses. The information candidates include should generally be their own work but they may also include materials collected on and/or from each business.

Sources of information that candidates may find useful could include relevant websites, company annual reports, recent newspaper and magazine articles (these can often be found in local and college/school libraries on CD-ROM) and company videos. Visits to the businesses and/or interviews with relevant personnel will also be useful.

It is important that candidates ensure that they include evidence which covers the issues outlined in the banner headline, as well as the criteria within the grid itself.

Candidates should be encouraged to collect as much information on both businesses they are investigating, and from a variety of sources, before they actually begin detailed work on their assignments.

4.3 SAMPLE ASSIGNMENT

For this assignment you will need to choose **two** contrasting businesses to investigate. The two businesses should be significantly different from each other and should carry out different activities. You should not, for instance, choose two supermarket chains or two fast food outlets.

Your findings should be provided in the form of a business report.

Task a

Use books, newspapers, people, company reports and documents, CD-ROMs and the Internet to:

- *investigate* and *describe* the activity, location, ownership and aims and objectives of the **two** businesses (**a1**);
- *compare* these features and identify the main differences between the businesses (**a2**);
- having fully *explored* these features, *suggest* and *justify* changes that each business could make to enable them to be more effective (**a3**).

Your teacher will help you find the sources of information you need.

It is important that you keep printouts, cuttings, copies, notes and text references of any information you collect so that you can refer to them when you are producing your report.

List the sources of information you use including:

- the titles and authors of any books;
- the titles and dates of any newspapers, magazines or other publications;
- the titles of any CD-ROMs;
- the names and roles of any people you talk to;
- the web addresses (URLs) of any websites.

If you are working towards higher grades, you will be expected to identify most of the sources of information you use yourself. You should also make sure you list full details of all the sources you use.

If you are working towards the highest grades, you must use a comprehensive range of resources selectively. Where possible, you should find information on the same topic from more than one source so that you can check that it is accurate and is not biased to a particular point of view.

Task b

Using information gained from books, people, company reports and documents:

- choose **one** of your two businesses;
- *investigate* and *describe* the type of work carried out by at least **three** functional areas in this business(**b1**);
- using examples, *explain* how these functional areas work together to support the business activity (**b2**);
- *evaluate* how effectively these functional areas work together to achieve the aims and objectives of the business (**b3**).

Some of the information you need for this task may be found in some of the sources of information you used for **Task a**. Other sources you might find useful could be company human resources/personnel managers and/or departmental managers. These people could either visit your class at school/college, the class could visit them at their place of work or you could arrange a personal interview with them, preferably at their workplace. In any of these situations you should prepare a set of questions relevant to the tasks set and ensure you take down clear and detailed notes for use in your report.

Your teacher will help you find other sources of information you may need but if you are working towards higher grades you will be expected to identify most of the sources of information you use yourself. As in **Task a** you should make sure you list full details of all the sources you use.

If you are working towards higher grades, you must ensure your work is clearly laid out, coherent and detailed. When evaluating how effectively functional areas work together to achieve aims and objectives (**b3**), you should consider negative aspects as well as positive aspects.

Task c

Choose **one** of your two businesses:

- *describe* the different methods of oral and written communication used (**c1**);
- with examples, *describe* how the business uses ICT to communicate and operate (**c1**);
- *analyse* the effectiveness of the communication methods used *inside* and *between* functional areas, and with people and organisations *outside* this business (**c2**);
- on the basis of this analysis, *suggest* and *justify* alternative or improved methods of communication *inside* and *between* functional areas, and with people and organisations *outside* the business (**c3**).

For this task you should use textbooks to find out the different methods of oral, written and ICT based communication used by businesses.

With this background knowledge you should then contact the company you are investigating and find out which methods they use and how they use them. This activity could be carried out as part of the exercise outlined in **Task b**, where you will be visiting the company under investigation or someone from the company will be visiting you.

It will be useful to have a list of relevant questions to ask, or a structured questionnaire when carrying out this activity.

If you are working towards higher grades, this should also include questions, which enable you to analyse the effectiveness of the communication methods used and suggest and justify alternative or improved methods of communication.

If you are working towards higher grades, you will also be expected to produce your own questionnaire or list of questions and take part in any interviews/discussions involved in the information gathering process.

Task d

For both of your **two** businesses:

- *identify* the main external influences (include competitors, economic conditions and environmental constraints) on each business (**d1**);
- *explain* the impact of changes in these external influences on each business (**d2**);
- having fully explored these changes in external influences, *suggest* and *justify* ways in which each business could respond to these changes (**d3**).

Your teachers will present lessons on the issues involved but these are likely to be of a general nature. You will be required to apply the general principles involved to the businesses you are investigating. Much of this information will be available in books newspapers business journals and magazines, company reports and on the Internet.

If you are working towards the higher grades, your explanations of the impact of changes in external influences on the businesses, together with your suggestions and justifications of ways in which the business could respond to such changes, must be progressively more comprehensive and detailed.

You must consider *at least* the **three** areas identified as external influences: competitors, economic conditions and environmental constraints.

4.4 TEACHING ACTIVITIES

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Aims and Objectives</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • what is meant by profit/surplus; • why most businesses need to be competitive; • why quality is important; • what is meant by sales maximisation; • why businesses need to be aware of environmental issues; • the difference between aims and objectives; • why aims and objectives differ depending on a range of factors such as business activities, ownership, the economic situation generally and the skills of the workforce. <p>If candidates are investigating a ‘not for profit’ organisation, they will still need to consider the above from the perspective of the chosen organisation.</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how their chosen businesses might decide on measurable objectives; • what such objectives might be; • how objectives might be used to measure success. <p>Candidates must be able to:</p> <ul style="list-style-type: none"> • identify and find relevant sources of information; • evaluate different aspects of information for use in their portfolio work. 	<p>Teachers may need to lead sessions on a general overview of aims and objectives.</p> <p>A session on the sources of information available to candidates would prove helpful. These could include textbooks, websites, company annual reports, videos, newspapers and magazines, newspaper articles from specific newspapers (which can be found on CD-ROM), visits to/from the business under investigation along with structured interviews or discussions with relevant personnel. Further sources of information could include government publications such as <i>Social Trends</i> and <i>Economic Trends</i>.</p> <p>Teachers may then wish to use a structured information gathering exercise relevant to the businesses candidates are investigating.</p> <p>If candidates have access to personnel within the businesses, teachers may need to do some initial work on questionnaire design. (This may include information for use beyond the aims and objectives section of the unit specification, which could link to the functional areas; Marketing and Sales Section.)</p> <p>Teachers may want candidates to work in groups/pairs to sort/identify information or to produce questionnaires. However, they need to be aware that work included in their portfolios should be their own original work.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Ownership</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • what types of ownership are available to businesses; • the main features of different types of ownership; • the responsibilities of owners in different types of businesses. <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • why the businesses they are investigating may have chosen the type of ownership format they are at present operating under; • the meaning of limited liability. 	<p>Where Centres decide to use a case study (as outlined in the teacher guidance) teachers may wish to use it to deliver a session on ownership issues generally as well as those relevant to that business.</p> <p>Candidates could then use the information and understanding gained from this session to collect ownership information on the business they will have chosen themselves.</p> <p>Each candidate could then write a portfolio section outlining the similarities and differences between the two businesses.</p>
<p>Business Location</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the factors influencing the businesses they are investigating when choosing a particular location (as outlined in the WYNTL section of the unit); • why premises in some locations are more expensive/cheaper than in other locations; • transport links. 	<p>Teachers could encourage candidates to analyse the local labour market for the businesses under investigation to assess whether this has any effect on their location.</p> <p>Candidates could be encouraged to use relevant statistical information, such as local employment and unemployment figures broken down by gender and age, and present this using relevant statistical presentation techniques and relevant explanations.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Business Location (continued)</p>	<p>Teachers may wish to encourage candidates to produce comparative tables for local areas and wider geographical areas along with meaningful explanations. Local government charges might also be reasonably integrated here.</p> <p>Candidates should be encouraged to find out whether any financial help is available to the businesses under investigation. This might be done by consulting local councils, chambers of commerce, the businesses themselves etc.</p> <p>Candidates should understand the necessity for businesses to be as close to suppliers and customers as possible. Teachers may want to encourage the use of maps, diagrams etc. showing both local and national location of businesses in relation to suppliers and customers, motorway and rail links and ports.</p>
<p>Business Activity</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the range of business activities a business could be involved in; • the business activities candidates' chosen businesses are involved in; • what other business activities candidates' businesses might rely on, which are supplied by other businesses, e.g. insurance, transport, raw materials, etc; • the business sector(s) the businesses under investigation operate in; • how changes in business activity might, or have, affected the businesses candidates are investigating. 	<p>Teachers may wish to encourage an historic perspective of business activity which shows changes in activity and employment in the primary, secondary and tertiary sectors in recent years.</p> <p>Teachers should also encourage candidates to consider the effects of technological change on business activity in recent years.</p> <p>Much of the information candidates could use can be found in publications such as <i>Economic Trends</i>, <i>Social Trends</i> and local employment statistics. However, for less able candidates, a simplified and/or clarified version of available information and statistics may be necessary.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Functional Areas within the Businesses</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the variety of functional areas within the businesses; • what functional areas do. <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • why functional areas are necessary; • how and why functional areas work together to support the business activity. <p>[Human Resources]</p> <p>Candidates need to know that Human Resources staff are involved with:</p> <ul style="list-style-type: none"> • recruitment, retention and dismissal; • working conditions; • health and safety; • training, development and promotion; • trade unions; • the key purposes of relevant legislation, including discrimination. <p>[Finance]</p> <p>Candidates should know that the main activities of the finance function are:</p> <ul style="list-style-type: none"> • management of money; • financial records; • preparation of accounts; • paying wages and salaries; • obtaining capital and resources. 	<p>Teachers may wish to deliver individual sessions on some or all of the areas involving human resources, which are listed in Section 6.2.5 of the specification.</p> <p>It would also be very useful if teachers could arrange a visit by a human resources manager to provide a presentation based on this list.</p> <p>Candidates could go through the process of applying for an advertised post and then, in small groups, assess applications against job and person specifications and carry out interviews.</p> <p>Candidates could prepare questions for a <i>question and answer</i> session with a trade union representative, paying particular attention to employee rights and safeguards and the main areas of trade union legislation. This would require teacher delivery sessions on these areas prior to the visit.</p> <p>Teachers may wish to use the expertise of a school/college finance officer to explain the main activities of the finance function.</p> <p>Candidates could track a financial transaction through the system and produce a flow-chart to illustrate the process.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Functional Areas within the Businesses</p> <p>[Finance] continued</p> <p>Candidates should understand:</p> <ul style="list-style-type: none"> • the role of the finance department; • how and why businesses deal with specific aspects of finance. <p><i>Note: This section of Unit 1 should only deal with an overview of the finance function. A detailed understanding of finance is required for Unit 3: Business finance and so is not required here.</i></p> <p>[Administration and ICT Support]</p> <p>Candidates need to know that the Administration and ICT Support Function involves:</p> <ul style="list-style-type: none"> • collecting and distributing mail; • filing and record keeping; • responding to enquiries; • supporting other functions through the use of ICT (WP, faxes, e-mail, video-conferencing, etc.); • cleaning and maintenance; • health and safety; • security; • other methods of communication. <p>Candidates should understand:</p> <ul style="list-style-type: none"> • how some of the above activities are organised and why they are organised in a particular way; • how good administration systems help a business run efficiently and effectively; • how ICT assists and enhances administration processes. 	<p>Candidates need to understand how the work of the finance function affects other areas of the business. This could be done by looking at a budget-cutting exercise or a budget-bidding exercise.</p> <p>There are a number of activities and exercises teachers may wish to use here.</p> <p>A paper-based filing and retrieval exercise would be useful for candidates to understand the need for good record keeping systems.</p> <p>A customer enquiry exercise, written and/or telephone-based, could also be useful in enabling candidates to understand how enquiries are dealt with, who might be involved and how they are recorded.</p> <p>An ICT based exercise, to send documentation via fax and/or e-mail to suppliers/customers, along with any follow-up procedures.</p> <p>An ICT based record keeping exercise using a simple customer or supplier database. This could be extended to teach the necessity of secure systems.</p> <p>An exercise to consider the health and safety aspects of ICT systems, bringing in basic aspects of health and safety legislation.</p> <p>An individually delivered session on cleaning and maintenance. This could be based on a school or college system and include aspects of health and safety.</p> <p>It may be useful, if possible, to use a trade union or personnel speaker here.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Functional Areas within the Businesses</p> <p>[Operations]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • how businesses obtain, organise and use resources; • why cheapest is not always ‘best’; • why quality is important and how it is checked and improved; • how factors of production are co-ordinated to meet business objectives; • why the businesses they are investigating use automation or computer-aided processes. <p>[Marketing and Sales]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the importance of market research, promotion and sales. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the above activities are carried out by the businesses they are investigating. <p>[Customer Service]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the importance of good customer service; • how customer service operates in the businesses they are investigating. <p><i>Note: A more thorough understanding of the work of customer service is required in Unit 2: People and business. A brief overview only is required here.</i></p>	<p>Teachers could develop an exercise where candidates are given a delivery date for a customer order and have to organise operations and activities to ensure the order is delivered on time.</p> <p>This basic exercise could then be adapted by candidates to consider the operations functions of their chosen businesses.</p> <p>Teachers may wish to use some individual teaching inputs which could then be followed up by using information from the small group exercises considered in the aims and objectives section above.</p> <p>Teachers may find it useful to lead a session giving a general overview of customer service.</p> <p>Candidates could then describe how the businesses they are investigating provide customer service, using in-house information where possible to illustrate their work.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Functional Areas within the Businesses</p> <p>[Research and Development (R&D)]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the importance of R&D; • how and why their chosen businesses might carry out R&D; • how R&D enables them to develop new or update existing products or services. <p>[The Use of ICT]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the uses to which ICT can be put within the businesses; • how the use of ICT can be used to cut costs; • how the use of ICT might be used to improve goods and services. 	<p>Teachers could develop an exercise where candidates, working in small groups, assess the development of a product over the last few years (Play Station, mobile phone, PC) and consider how these might be further developed in the next few years.</p> <p>Candidates could then adapt their results to the products/services of the businesses they are investigating.</p> <p>Teachers may wish to integrate this section within the various sub-sections of the functional areas, Section 6.2.5 in the specification. Alternatively, they may wish to use it as a summary section for the use of ICT throughout the functional areas.</p> <p>An exercise teachers might wish to consider here would be to link up the suggested exercise in the ‘operations’ section with relevant ICT based uses, such as internal and external communications (including shared data and security systems) and customer support services.</p> <p>A further exercise could be based on electronic transaction methods the business may or could use.</p>
<p>Business Communications</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • why employees need to communicate within functional areas; • why employers need to communicate with people in other functional areas; • why employees may need to communicate with people in other businesses/organisations. 	<p>Teachers have the opportunity to use a variety of activities here and should attempt to make use of knowledge gained from other areas of the unit such as use of ICT, Administration and ICT support, etc.</p> <p>Candidates could visit the school/college administration area(s) and discuss with relevant personnel the communication methods used to communicate:</p> <ul style="list-style-type: none"> • within the administration area; • outside the administration area; • outside of the school/college as a whole.

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Business Communications (continued)</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the range of oral, written, video and graphical communications available for use by people in businesses; • which methods of communication are most appropriate in particular circumstances. 	<p>They could discuss this in class and:</p> <ul style="list-style-type: none"> • brainstorm alternative or improved methods which could be used (oral, written and technology based or a mix of these); • discuss the most feasible methods relevant to the administrative area they have visited. <p>Candidates will then need to transfer the knowledge and understanding gained in this exercise, appropriately, to the business under investigation and its communications requirements.</p> <p>Whilst not necessary for assessment evidence teachers may wish to include an individual oral presentation exercise on business communications as a valuable practical activity.</p> <p>To enhance the above activity candidates could be encouraged to use a range of presentation methods such as prompt cards, OHTs, sample products and/or documentation, charts, graphs, etc. More able candidates could be encouraged to use Powerpoint.</p>
<p>External Influences</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the potential and actual effects competitors might have on their chosen businesses; • how changing economic conditions can and do affect their chosen businesses; • why governments place environmental constraints on many business activities. 	<p>Teachers may want to use a variety of ‘what if’ exercises where groups of candidates are given a business scenario and have to work out the potential effects on their business of a number of external occurrences:</p> <p>e.g: interest rates rising/declining inflation rising/falling competitors cutting prices competitors increasing production a new/better product becoming available a new law on pollution.</p> <p>They could then work on potential ways of alleviating the impact of these external influences.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Business Competitors</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how price, quality and availability impact on competitiveness; • how age, gender, income, lifestyle and geographic location affect customer buying habits; • how new ICT technologies have enabled businesses to compete in less traditional ways. 	<p>Candidates could consider two distinctly different products, e.g. a chart CD and a cruise holiday and assess the impact of the issues opposite on their competitiveness in the market place.</p> <p>Alternatively, or secondly, they could carry out a similar exercise looking at the products/services of the businesses they are investigating.</p> <p>Candidates should identify possible competitors for the businesses under investigation who are using, or could use, telesales, Internet, etc. to attract new customers.</p> <p>Candidates could do a web-search of known competitors to see if they use such technology to attract customers.</p>
<p>Economic Conditions</p>	<p>See opening paragraph of <i>External Influences</i> section.</p>
<p>Environmental Constraints</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • how pollution and wasteful use of resources can affect the environment; • why we have laws which constrain businesses from damaging the environment. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • which laws prevent harmful waste products being released into the environment; • which laws regulate business activity close to residential areas; • why we have such laws. 	<p>Candidates should consider environmental issues from the point of view of the businesses they are investigating.</p> <p>They could consider the processes (manufacturing, packaging, waste, etc.) and suggest ways in which they could be environmentally harmful, what the businesses do to alleviate any harmful effects and whether there are any legal restraints imposed on these processes.</p>

5 Portfolio Unit 2: People and Business

5.1 PORTFOLIO EVIDENCE REQUIRED

You need to produce a portfolio based on your investigation of **one** medium to large business. You should include information selected from your own work and materials you have collected on the business.

Evidence can be met by addressing the following criteria:

a (Investigate) the importance of stakeholders

Candidates must identify the stakeholders in their chosen business (**a1**). Candidates could explain the nature of the interest that each stakeholder has in the business (**a2**). Candidates could also evaluate the extent to which each stakeholder has an influence on the business and how it operates (**a3**).

b (Investigate) job roles and Contracts of Employment within the business

Candidates must describe the roles of **three** people who have different responsibilities within their chosen business (**b1**). Candidates could explain the content of the *Contract of Employment* for **one** of these three people, including terms and conditions of employment and working arrangements (**b2**). Candidates could also, using examples, evaluate how well this *Contract of Employment* meets the needs of the business and the employee, and recommend and justify suitable changes to it (**b3**).

c (Investigate) employer/employee rights and responsibilities, including how the business deals with disputes

Candidates must describe, using examples from their chosen business, the rights of the employer and its employees (**c1**). Candidates could explain, again using examples, how the business resolves disagreements with its employees over rights of employment or working conditions (**c2**). Candidates could also evaluate the extent to which the business ensures that a good working relationship exists between the employer and its employees (**c3**).

d (Investigate) employee recruitment

Candidates must describe the recruitment and selection process that their chosen business uses to meet its staffing needs (**d1**). Candidates could explain why the business uses this recruitment and selection process to meet its staffing needs (**d2**). Candidates could also evaluate the effectiveness of this recruitment and selection process and suggest improvements to documentation and procedures (**d3**).

e (Investigate) further development and training (investing in people)

Candidates must describe the procedures that their chosen business follows for staff training, appraisal and performance review, retraining for new technology or new work practices, any national training initiatives and health and safety training (**e1**). Candidates could analyse how effectively these procedures enable people to perform their jobs well and maintain a safe and secure working environment (**e2**). Candidates could also, on the basis of this analysis, suggest and justify alternative or additional procedures that might improve the effectiveness of employees and the safety of the working environment (**e3**).

f (Investigate) customer service and customer protection

Candidates must describe the rights of customers under consumer law and identify the features within their chosen business that contribute towards good customer service (**f1**). Candidates could analyse how effectively this customer service provision meets the needs and expectation of its customers (**f2**). Candidates could also, on the basis of this analysis, suggest and justify ways in which this provision could be improved to further meet the needs and expectations of customers (**f3**).

5.2 BACKGROUND

For the assessment evidence for this unit, candidates will need to produce an in-depth portfolio based on an investigation of **one** medium to large size business. The information candidates include should generally be their own work but they may also include materials, used in the right context, collected on and/or from the business they choose to investigate.

Sources of information that candidates may find useful could include relevant websites and textbooks, model or actual documentation (Contracts of Employment, appraisal and performance review documents, recruitment and selection documents etc.), a variety of publications from organisations such as UCAS, the HSE and the DfES (these may also be found on the websites of these organisations), local government publications on consumer rights and consumer law, visits to the business under investigation and/or interviews with or visits by relevant personnel will also be useful.

It is important that candidates ensure that they include evidence which covers the issues outlined in the banner headline, as well as the criteria within the grid itself.

Candidates should be encouraged to collect as much information as possible on the business they are investigating, and from a variety of sources, before they actually begin detailed work on their assignments. They should also be supported in conducting research and information in a logical and structured way.

5.3 SAMPLE ASSIGNMENT

For this assignment you will need to choose **one** medium to large-sized business to investigate. The business will need to be of a sufficient size to have detailed procedures in relation to issues such as recruitment and selection, appraisal and performance review and staff training.

You will need to choose a business which allows you to access general documentation relevant to the issues briefly outlined above.

You should present your findings in the form of a business report covering the issues outlined in the following tasks.

To achieve the higher grades, your report will need to be well structured, using headings, sub headings, bullet points, tables, graphs, etc. where applicable or necessary.

You will be expected to use a wide range of resources throughout the assignment including books, newspapers, people, business magazines and journals, the Internet and company documentation.

It is important that you keep printouts, cuttings, copies, notes and text references of any information you collect so that you can refer to them when you are producing your report.

List all the sources of information you use including:

- the titles and authors of any books;
- the titles and dates of any newspapers, magazines or other publications;
- the titles of any CD-ROMs;
- the names and roles of any people you talk to;
- the web addresses (URLs) of any websites;
- the sources of any company related documents.

Your teacher will present lessons on the issues involved in the assignment but these are likely to be of a general nature. You will be required to apply the general principles involved to the business you are investigating.

You should look at rows a to f of the *Assessment Evidence Grid* as these show what you are required to do to achieve each grade range.

If you are working towards higher grades, you will be expected to identify most of the sources of information you use yourself. You should make sure you list comprehensive details of all the sources you use.

If you are working towards the highest grades, you must use a comprehensive range of resources selectively.

Task a

- *Identify* the stakeholders in the business (**a1**).
- Clearly *explain* the interest each stakeholder has in the business (**a2**).
- *Evaluate* how much influence each stakeholder, or group of stakeholders, has on the business and its operations (**a3**).

When identifying and explaining the interests of stakeholders, it is important that you consider those directly involved within the business as well as those external to the business.

If you are working towards the higher grades, your evaluation of the influence of stakeholders on the business will need to be comprehensive and detailed and cover a wide range of stakeholders and stakeholder groups.

Task b

- *Investigate* and *describe* the roles of **three** people, working at different levels in the organisation, who have significantly different responsibilities (**b1**).
- Draw up a Contract of Employment for **one** of the three people investigated and *explain* its content. This should include their terms and conditions of employment and any flexible working arrangements (**b2**).
- Using examples, *evaluate* how well this *Contract of Employment* meets the needs of the business and the employee, and recommend and justify suitable changes to it (**b3**).

The roles of the **three** people you decide to investigate and describe will be working at different levels within the organisation. This will enable you to consider more clearly the different responsibilities, as well as levels of responsibility, within the business.

If you are working towards higher grades, your explanation of the contents of the Contract of Employment should be detailed and comprehensive and should explore the legal aspects of the contract in detail.

If you are aiming for the highest grades, your evaluation of the suitability of the Contract of Employment for both the business and the employee should also be comprehensive. Your recommendations for change and your justification of your recommendations should cover a range of relevant issues.

At the higher grade levels, it will be expected that most of the recommendations and justifications will result from your own ideas and research.

Task c

- Using examples from the business, *describe* the rights of the employer and its employees (**c1**).
- Again using examples, *explain* how the business resolves disagreements with its employees over rights of employment or working conditions (**c2**).
- Evaluate the extent to which the business ensures that a good working relationship exists between the employer and its employees (**c3**).

You will need to show that you understand the rights that both employers and employees are given, through employment law, as well as any rights they may have gained through any negotiation processes.

You will also need to explain the processes which both the business and the employees could use to resolve any disagreements over rights of employment or working conditions. You will need to consider how the law might be applied in these situations but you also need to consider any processes negotiated between employers and their employees and/or the employees' trades unions.

You should also explain the role of external agencies such as ACAS and the ways in which they could be used to resolve disagreements.

If you are working towards the highest grades, you will need to evaluate any methods, approaches and processes used by the business to ensure good working relationships.

This could be an evaluation of any negotiated procedures but should also investigate such issues as openness of information, regular employer/employee forums held to discuss workplace issues, company newsletters, quality circles etc. (where they exist).

Task d

- *Investigate* and *describe* the recruitment and selection process that the business uses to meet its staffing needs (**d1**).
- *Explain* why the business uses this recruitment and selection process to meet its staffing needs (**d2**).
- *Evaluate* the effectiveness of this recruitment and selection process and suggest improvements to documentation and procedures (**d3**).

You need to describe how the process of recruitment and selection works from the moment a vacancy becomes known through to the filling of the vacancy by a suitable candidate.

You should also describe how this process may differ depending on the post being filled, e.g. how different is the process for a senior management position compared to an unskilled position?

If you are working towards higher grades, you need to explain why the business uses the recruitment and selection process it does. You will need to consider legal aspects, relevant to recruitment and selection, such as laws on discrimination and the age of employees.

You should also consider whether the process is structured to attract the potential employees the business is most likely to need, e.g. the processes used to recruit a teacher may differ substantially from the processes used to recruit a machine operative.

If you are working towards the highest grades, you will need to evaluate clearly and comprehensively how effective the recruitment and selection process is in fulfilling the needs of the business. You should consider both strengths and weaknesses of the process.

You also need, on the basis of your evaluation, to suggest any improvements which could be made to documents and procedures. These could be general improvements but could also be improvements which could or must be made to accommodate applicants who may have disabilities.

Task e

- *Investigate* and *describe* the procedures that the business follows for staff training, appraisal and performance review, retraining for new technology or new work practices, any national training initiatives and health and safety training (**e1**).
- *Analyse* how effectively these procedures enable people to perform their jobs well and maintain a safe and secure working environment (**e2**).
- On the basis of this analysis, *suggest* and *justify* alternative or additional procedures that might improve the effectiveness of employees and the safety of the working environment (**e3**).

You will need to gather information on procedures used by the business for:

- staff training;
- appraisal and performance review;
- retraining for new technology and new work practices;
- national training initiatives;
- health and safety training.

You should then clearly describe these procedures and their importance to the business.

If you are working towards higher grades, it will be necessary to show:

- how these procedures enable people within the business to perform better in their jobs;
- how any procedures used by the business help to maintain a safe and secure working environment.

You will need to consider how clearly defined procedures enable people to have a clearer and better understanding of:

- their job role;
- their employees' expectations;
- how they can improve productivity and the quality of their work;
- how effective and clearly defined procedures lead to a safe and secure working environment.

If you are working towards the highest grades, you will need, on the basis of your present understanding of the procedures used by the business, to:

- suggest alternative procedures the business could use;
- suggest additional procedures the business could use;
- clearly show how any alternative/additional procedures will improve the effectiveness of people in their jobs;
- clearly show how such procedures would improve the safety of the work environment.

Task f

- *Investigate and describe* the rights of customers under consumer law and identify the features within their chosen business that contribute towards good customer service (**f1**).
- *Analyse* how effectively this customer service provision meets the needs and expectation of its customers (**f2**).
- On the basis of this analysis, *suggest and justify* ways in which this provision could be improved to further meet the needs and expectations of customers (**f3**).

You will need to collect information on the protection given to consumers under consumer law and use it to describe the rights which consumers have. This information can be found in textbooks, leaflets available from your local council and organisations such as the Citizens Advice Bureau. You should also refer to relevant websites.

You need to follow this activity by identifying those features of customer care within the business that contribute to good customer service.

This information can be found in business documents such as guarantees, customer charters, quality assurance and after sales guarantees.

If possible, you should try to discuss consumer law and customer service issues with someone working in the business you are investigating, someone who has responsibility for them.

If you are working towards higher grades, you will need to show how effectively the customer service provision meets the needs and expectations of customers.

You should consider if there are any gaps in the provision, which may lead to customer need and expectations not being achieved. This could relate to such issues as:

- the expectations and requirements of different groups of customers;
- the use of both employees and technology to achieve customer expectations and needs;
- how the business measures customer satisfaction to find out the needs and expectations of its customers.

If you are working towards the highest grades, you will need to suggest and justify ways in which the customer service provision within the business can be improved.

This does not have to include large scale change as the customer service provision may already be of a high standard. There may, however, be a number of small ways in which you think provision could be improved. You should state clearly what these improvements are and how their inclusion in customer service policy is likely to improve provision and therefore customer satisfaction.

5.4 TEACHING ACTIVITIES

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Stakeholders</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the different types of stakeholders a business potentially has; • the interests and expectations of different groups of stakeholders; • how different groups of stakeholders might influence a business. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the different types of stakeholders in the business they are investigating; • the interests and expectations of groups of stakeholders on the business under investigation; • the extent to which stakeholders might influence the business and its operations. 	<p>Teachers may need to lead a session giving a general overview of stakeholders, their interests and their influences on business.</p> <p>Candidates could use this as a template to collect relevant information on stakeholders in the business they are investigating.</p> <p>If candidates have access to personnel within the business under investigation they should be encouraged to seek relevant information from them. This could be through the use of:</p> <ul style="list-style-type: none"> • a visit to the class by such personnel using presentation format, question and answer sessions, etc; • use of a questionnaire which could be used when interviewing such personnel. <p><i>Note: This could be linked to other aspects of the specification and the portfolio assessment evidence. Teachers should therefore ensure that visits, presentations, questionnaires, etc are properly organised to take this into account.</i></p> <p>Early visits by external speakers, where possible, should be encouraged, as good speakers will enthuse candidates.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Rights and Responsibilities of Employers and Employees</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • that businesses operate more cohesively and successfully where good working relations exist; • why job roles and responsibilities need to be clear and well defined; • the importance of good lines of communication; • the importance of flexible working; • why both employers and employees have both rights and responsibilities in the workplace; • the legal process(es) for solving disputes in the workplace. 	<p>Teachers will probably need to lead sessions on all the issues in the ‘What candidates need to understand’ section to ensure candidates have an overview of any of the theory, law and ‘best practice’ involved.</p> <p>This could be done using a series of short case studies, short library (or other) research exercises (especially useful for research into legal issues and aspects) or using the visits, interviews, etc. outlined above to get information and feedback.</p>
<p>Investigating Job Roles</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the business they are investigating is organised; • how job descriptions are structured; • the different types of job roles within the business they are investigating across a range of levels, i.e. Manager, Supervisor, Operatives, Support Staff; • the key responsibilities, tasks and activities involved in any particular job role; • the skills, qualifications and personal qualities required; • how involved in decision making and problem solving a person in a particular job role might be; • how pay, other benefits and job security might be related to the above; • how an organisation chart might be used to illustrate the structure of the business and how an employee’s position in the organisation structure might reflect their role, responsibilities, skills, qualifications, pay and benefits. 	<p>Candidates should be encouraged to construct (or use if available) an organisation chart of the business and explain why it is structured the way it is.</p> <p>If possible, candidates should use a model job description from the business under investigation and explain its structure. If this is not possible they should draw up their own. This could be done as a group exercise but teachers should point out that all work submitted for portfolios must be the candidate’s own original work.</p> <p>The job description could be linked to previous activities such as company visits, talks by external speakers, part-time work (where relevant), etc. It should also refer to the organisation chart of the business.</p> <p>Teachers may wish to use the expertise of a school, college or, if possible, a LEA Personnel Officer to present, explain and discuss these issues with candidates.</p> <p>Some of the issues involved here could be cross-referenced with the information required for the <i>Human Resources</i> section of Unit 1: <i>Investigating business</i>.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Investigating Job Roles (continued)</p>	<p>Candidates should be encouraged to find relevant documentation such as job advertisements, job descriptions, person specifications, etc. and compare them. This could be done through the presentation and discussion outlined above, by seeking information from the business under investigation (where the business is willing to give such information) and/or going through the whole process of applying for a part-time job.</p> <p>Teachers might also wish to use, or write their own short case studies relating to different job roles.</p>
<p>Working Arrangements</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the rationale and legal basis of Contracts of Employment; • the importance of flexibility in working practices and why working arrangements may need to change. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the issues that are covered by Contracts of Employment, whether these are legal obligations or agreements reached through employer/employee negotiation; • the importance of well structured Contracts of Employment to the smooth running of the business under investigation; • why work practices and arrangements might, or have, changed recently in the business; • how this process was carried out and the effects of any changes on employers and employees; • how flexible work practices are expected to improve the overall objectives of the business. 	<p>Teachers may wish to lead sessions giving a general overview of the issues involved.</p> <p>These sessions could include an historic perspective of working practice as well as a future perspective. This should include consideration of technological change and its effects. This could be followed up by a visit from an external speaker to consider flexible working and its effects (and possibly other issues) inside a commercial business.</p> <p>These sessions could also be followed up with a short presentation and/or question and answer session with a trades union officer from within the school or college and/or a member of the college/LEA Personnel Department.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Rights of Employers and Employees</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the expectations of employers and employees of each other; • the main principles of employment law and how adherence to it provides a better and more productive work environment. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the expectations of employers and employees in the business under investigation; • how the business under investigation adheres to current legislation; • how current legislation affects the business. 	<p>Teachers will need to do some preliminary work here, though some of the issues can be linked to the previous section.</p> <p>Teachers may wish to encourage structured library research on the legal aspects involved. This could involve candidates researching different aspects of current employment legislation and then feeding their findings back to the rest of the group in the form of mini-presentation.</p> <p>For some aspects of this section, teachers might wish to include the speakers considered in the previous section, especially relating to the ‘Candidates need to know’ section.</p> <p>Aspects of this section are also covered in the <i>Human Resources</i> section of Unit 1: <i>Investigating business</i> and teachers may wish to cross-reference candidates and their own work here.</p>
<p>Resolving Disagreements</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • that some disagreements can be resolved by using internally negotiated procedures; • that some disagreements may involve the use of outside agencies and/or legal processes if internal procedures fail to resolve disagreements. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • the processes used by the business under investigation when investigating and resolving disputes. 	<p>Teachers will need to lead sessions on general aspects of this section.</p> <p>This could be followed up by candidates working in small groups to research the bullet points outlined in the section and then feeding their findings back to the rest of the group.</p> <p>Teachers would need to consider the structure required here. They could also encourage the use of a question and answer session by the rest of the group, of the small groups, during the feedback sessions.</p> <p>Candidates should be encouraged to contact the business directly to try to obtain the necessary information. This could be done by letter to request copies of grievance and disputes procedures or by the use of a structural questionnaire used in an interview with a member of the Personnel Department of the business under investigation.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Recruitment and Training</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • why businesses need to employ people with the right skills, attitudes and aptitudes; • how the recruitment process has to be managed to meet legal and ethical requirements; • when businesses might use internal or external recruitment; • the process and order of activities carried out during the recruitment process. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the business under investigation operates its recruitment and selection process. 	<p>Teachers may wish to lead general sessions outlining and explaining the issues involved.</p> <p>This could be followed up by the candidates carrying out the recruitment and selection process for an imaginary post within the school or college.</p> <p>This could be done by splitting the class into two groups, with one group acting as employers and the other group as potential employees, in a role play situation.</p> <p>This could be incorporated with the teaching and learning activities outlined in the ‘investigating job roles’ section above.</p>
<p>Personal Job Applications</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the structure and key features of CVs and letters of application; • the key aspects of good interview performance. 	<p>Teachers should support candidates in constructing a CV relevant to their age, group, qualifications, achievements and short-term career aspirations.</p> <p>Candidates could then choose a job advertisement for a locally based post and go through the process of applying for it.</p> <p>Alternatively this could be linked to the teaching and learning activities in the ‘recruitment’ section above.</p> <p>It might also be possible, where schools and colleges have good relations with local businesses, for candidates to apply for pseudo posts in the business and for the business to carry out the interviews.</p> <p>Teachers will need to ensure that candidates are aware of good interview practice and structure and have the opportunity to practise interview techniques.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Staff Development and Training</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • the importance of staff training and development. <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the business under investigation carries out ongoing training and development for different work groups; • how the business uses appraisal and performance reviews; • if the business is involved with Investors In People or National Training Awards and what benefits these are to the business. 	<p>Teachers may need to lead sessions giving a general overview of the issues around staff development and training.</p> <p>This could then be followed up by a visit from the school or college staff development officer in the form of a short talk followed by a question and answer session.</p> <p>Candidates should then have enough background information to relate to the situation in the business under investigation.</p>
<p>Customer Service</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • why customers are important to the business; • why it is important for businesses to identify the different groups of customers they have; • what is included in customer service and why; • why businesses need to make use of both employees and technology to improve customer service; • the legal protection available to both customers and businesses. <p>[Why Customers are Important]</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the business under investigation uses customer service to try to achieve the bullet pointed issues in this sub-section. 	<p>Teachers will need to lead sessions which give candidates a general overview of the theory and practice involved in the various areas of customer service.</p> <p>This could then be followed up by library research and small group or individual short presentations on various aspects of customer service.</p> <p>Candidates will need to gain the required information from the business and may need to incorporate requests for such information alongside earlier tasks and requests.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Customer Service (continued)</p> <p>[Customers and their Expectations]</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the business under investigation relates to both internal and external customers and how their approaches to each differ; • how the business responds to the customer expectations outlined in the unit specification and how they evaluate the value of the customer service they offer. <p>[Customer Satisfaction]</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how and why the business under investigation needs to measure customer satisfaction; • how the business uses market research to collect feedback from customers. <p>[Investigating Customer Service]</p> <p>Candidates need to know:</p> <ul style="list-style-type: none"> • how the levels of customer service of their chosen business compare with the levels offered by similar businesses; • how their chosen business has integrated new technology to improve and develop customer service or how it could integrate such technology. 	<p>Teachers could use an exercise or short case study where candidates choose a product or service and outline their expectations of it.</p> <p>They should then consider their expectations if there is a problem or fault with the product or service.</p> <p>They can then relate their results to the products or services of the business under investigation in line with the requirements of the portfolio assessment.</p> <p>Teachers may wish to extend the case study/exercise immediately above to enable candidates to write a letter to the business outlining their levels of satisfaction with a product or service.</p> <p>Alternatively candidates could carry out a similar exercise where they all give customer feedback on the same product and consider the different levels of customer satisfaction within the group.</p> <p>Candidates could carry out a mini-survey by comparing their chosen business customer service levels to a similar business e.g. Sainsbury and Kwiksave, PC World and Time, etc.</p> <p>Candidates could then present the findings of their survey, with each individual customer service feature given a rating, in the form of a well presented grid or table followed by a brief commentary.</p> <p>This mini-survey will need to include uses of new technology as indicated on the left and in the unit specification.</p>

Knowledge/Understanding needed by Candidates	Teaching and Learning Activities
<p>Customer Service (continued)</p> <p>[Customer Protection]</p> <p>Candidates need to understand:</p> <ul style="list-style-type: none"> • how and why the law provides protection for both customers and businesses; • the main principles behind current consumer law covering the issues outlined in this section of the specification. 	<p>Teachers may wish to use a library/text based exercise for candidates to investigate the relevant legal aspects of consumer presentation.</p> <p>Candidates can then relate this to the business under investigation to produce a document explaining customers' rights under consumer law (as required for their portfolio evidence).</p>

6 Externally Assessed Unit 3: Business Finance

6.1 SCOPE OF THE TEST

This unit will be externally assessed by a test lasting one and a half hours and there will be test opportunities available in January and June.

There will be **one** re-sit opportunity and therefore Centres need to consider carefully when the best time would be to enter candidates to sit the test. For a **two**-year course, the June of the first year, or January of the second, would be the most appropriate, in order to offer a re-sit opportunity. For a **one**-year course, the choice of the January opportunity needs to be balanced against the candidates' increased knowledge and maturity in June and the demands of portfolio completion and moderation.

The paper will consist of a number of questions which will be set in a vocational context and contain stimulus material – it will be based upon the financial requirements of a fictional business. Candidates will be expected to demonstrate practical skills, such as completing business documentation, in addition to answering questions by applying knowledge and understanding from the teaching and learning on the course.

The test will be marked out of 100 and the marks for each question will be clearly stated. Candidates will therefore need to be taught examination techniques such as how to use their time most effectively in relation to questions worth one mark and those commanding higher marks.

The test will be written to allow candidates to demonstrate their mastery of the content specified in the *What You Need To Learn* section. It will not be possible for each test to cover the whole content of the unit so there will be a slightly different focus in succeeding test sessions. However, certain aspects of the content will be tested on each occasion. Throughout each question paper there will be opportunities for candidates to:

- show their knowledge and understanding of different aspects of business finance (AO1);
- apply their knowledge, skills and understanding of business finance (AO2);
- examine (i.e. analyse, evaluate, make judgements and present conclusions about) issues and problems related to business finance (AO3).

Business finance is not an easy topic to introduce through visits or visiting speakers as it is often a confidential issue. It will therefore be more appropriate to address the unit through case study material and perhaps consideration of personal finance.

As a large proportion of the marks in the question papers will require candidates to use their skills in completing or analysing business documents, the teaching and learning of the unit needs to have a very practical bias. There should be a strong focus on filling in cheques, purchase order forms etc. and this will require a large resource base of blank documentation.

6.1.1 Investigating the Flow of Financial Documents Used to Make a Business Purchase

Candidates will need to understand why different documents are used, what information they contain and the sequence in which they move between the buyer and seller. As they are also required to complete examples of these documents accurately, and check for errors in given examples, they will need a lot of practice.

One suggestion for an approach to teaching and learning is to ask the candidates to produce a set of documents, using ICT, for their own chosen business. Inserting logos or pictures can be fun and this could also produce evidence of competence in the *Information Technology* Key Skill.

A role-play scenario could then evolve between two candidates buying from, and selling to, each other and completing the appropriate documentation.

Examples of documents containing errors need also to be given to candidates, as they need to learn how to check these documents for accuracy.

Examples of likely errors include:

- wrong date or no date on cheques;
- wrong catalogue numbers;
- wrong amount ordered or delivered;
- lack of signature/authorisation;
- incorrect calculations, i.e. for VAT or sub-totals.

Candidates need to check for errors but also to understand the consequences of any of these errors going undetected before the documentation is issued to buyers or sellers.

Any of these scenarios could appear in a test.

6.1.2 Investigating Methods of Making and Receiving Payments

Candidates need to learn and understand the given payment methods in the specification. They also need to be able to identify when a particular method is more appropriate for a given situation.

They need to understand that some methods enable payment to be made immediately whilst others have a time delay.

They also need to understand the costs involved, if any, to buyers and/or sellers.

Once again, a lot of practice is needed for this topic area as, generally, candidates at this level will have little or no experience of any payment methods except cash.

In the test, candidates will not just be expected to remember the different methods but will have to apply that knowledge in given situations.

6.1.3 Covering the Costs of a New Product or Service

This section requires candidates to understand the difference between start-up and running costs for a new initiative. It could be taught in conjunction with cash flow forecasting, as candidates need to be able to determine whether a project is likely to be successful.

They will need practice in recognising the different types of costs involved in the different types of business as listed in the specification.

The final section on the use of ICT relates specifically to how ICT can help reduce costs. It might be beneficial to candidates if all of the advantages and disadvantages of using ICT could be covered as a separate topic, perhaps at the end of teaching. It could be a final project that draws together all the ICT threads running through the unit.

Candidates could undertake an investigation into a real business (school or college if other businesses are not possible) and its use of ICT. This could link with Unit 1: *Investigating business* where candidates have to investigate **two** businesses and their use of ICT when communicating.

Outcomes from the project could be in written format (booklet for use by new businesses perhaps), posters or a class presentation.

There are likely to be short-answer questions related to the use of ICT but they could be in one of a number of different contexts. Candidates therefore need to be continually reminded to consider the use of ICT throughout the teaching and learning programme.

6.1.4 Using a Cash Flow Forecast

Candidates need to understand how to complete a simple cash flow forecast and interpret what the balancing figures represent.

The specification identifies a variety of situations in which a cash flow forecast might be used and candidates need to practise each given example. This could lend itself to a group presentation where teams are given figures and different scenarios for proposed changes to business activities. Using ‘what if’ scenarios they could prepare cash flow forecasts that indicate if the proposal should go ahead or not.

Candidates need to understand the ‘predictive’ nature of cash flow forecasts and the fact that a positive cash balance is *not* an indicator of profitability.

The test may require that information should be presented in a spreadsheet format so this section really lends itself to the use of ICT. If asked to calculate cash flows when sales are predicted to be £X and then calculate the difference if estimates change to £Y, candidates will soon appreciate the benefit of using ICT and formulae. Candidates will be expected to complete a cash flow forecast but also to use the completed cash flow to identify the solvency position of the business.

6.1.5 Using a Budget

Candidates will need to understand how and when budgets are used. They will also need to know how businesses check performance through the analysis of variances between budget and actual figures.

Candidates will not be expected to compile budgets themselves, but may need to interpret information in a given budget format. They need to understand how budgets can be used to plan when expenditure should take place and how much.

They also need to know that budget holders have to authorise payments. This is an effective method of controlling expenditure as it prevents excessive spending on unnecessary items and helps to prevent fraudulent purchases by unauthorised personnel.

Questions based upon this section are more likely to be knowledge-based rather than practical activities.

6.1.6 Calculating the Break-even Point

Candidates need lots of practice in calculating break-even using both charts and the given formula. They will *not* need to learn the formula as it will be given in the question paper if needed. They will need to know the difference between *fixed* and *variable* costs. One common error to avoid relates to variable costs. The break-even chart shows *fixed* costs and *total* costs *not* *variable* costs.

$$\text{Total Costs} = \text{Fixed Costs} + \text{Variable Costs}$$

The Total Cost line starts at the point at which the Fixed Cost line hits the Y-axis and *not* zero (0).

It is very likely that in a test situation, candidates will be expected to be able to draw a break-even chart and identify the break-even point. They may also be expected to calculate the break-even point using given formulae.

6.1.7 Calculating the Profit or Loss of a Business

At this level there is no need to cover double-entry bookkeeping or methods of accounting. Candidates need to understand the difference between *purchases* and *expenses* or *overheads*. It might be useful to start to introduce the concept of fixed and variable costs, as this will be needed for break-even later on.

However, for the purpose of calculating profit/loss, candidates will need to understand:

$$\text{Sales} - \text{Cost of Sales} = \text{Gross Profit}$$

$$\text{Gross Profit} - \text{Expenses} = \text{Net Profit}$$

It will not be necessary to complicate *cost of sales* with any reference to opening and closing stock. At this level, candidates will only need to understand that cost of sales is either the cost price of buying in finished goods to sell on at a profit, or, the variable costs of producing a good or providing a service.

They will need to be familiar with a simple Profit and Loss Statement format.

If candidates are encouraged to prepare a Profit and Loss Statement using ICT, preferably using formulae, this could assist them in their understanding of how ICT can be used to record and calculate profits/losses.

It is likely that candidates will be given a template to use to compile a profit and loss account. This will be very similar to the one used in the exemplar test and it is advisable to copy this for use with practice exercises.

6.1.8 Understanding a Balance Sheet

Candidates need to understand the different parts of a balance sheet as listed in the specification. They also need to understand what the two balancing figures signify, i.e. that the total amount of money used to fund the business should be the same as the net total of assets less short-term debts. It is a way of checking that all the money received to finance the business has been accounted for. It is also an *at a glance* check on the net worth of the business at any given point in time.

Candidates will need to practise compiling a simple balance sheet and recognise the difference between fixed and current assets and short term liabilities.

In the same way as for the profit and loss account, candidates will be expected to know how to complete a balance sheet template. This only needs to be very simplistic as it is the understanding of the headings that is more important than the actual figures themselves.

6.1.9 The Importance of Business Accounts

This section is really concentrating on the reason why accounts are prepared. The main focus is on the interest that the listed stakeholders may have in the financial health of the business. It is necessary for candidates to look beyond *profit* and understand how the different calculations within both the Profit and Loss Statement and the Balance Sheet may be of specific interest. For example:

- Shareholders may be interested in the balancing figure on the Balance Sheet as this represents the net worth of the business which has an impact on the market value of shares.
- Employees may like to look at the bank/cash figures as they could indicate the ability of the business to pay their wages.
- Banks may be interested in the value of current assets, as these are liquid assets that can be converted to cash if necessary to make loan repayments or pay off an overdraft.

Questions relating to this section will be knowledge-based but it is the application of that knowledge in different scenarios that will attract the marks.

6.1.10 Sources of Business Finance

Candidates need to understand all the sources of finance listed in the specification.

In the test they may be given a scenario and asked to suggest the most appropriate sources of finance. They will need to understand the relative cost of the different sources (either physical cost such as interest payments or opportunity cost) and the level of risk involved for the business.

6.1.11 Financial Planning

This section looks at the need for, and the methods that can be used for, financial planning. It is closely linked with the sections on cash flow, break-even, budgets and sources of finance.

Candidates need to understand that in addition to the everyday planning requirements for running a business, other planning or forecasting is needed if any changes are to be made to business activities.

Generally most businesses plan the level of expected expenditure for a year and set departmental budgets accordingly. However, the planned introduction of a new product or service will require different planning such as:

- planning where the finance will come from;
- planning a budget for Research and Development or Advertising;
- forecasting expected profit levels through break-even;
- forecasting the expected revenues and expenses and estimating cash flows.

The teaching of this section should be combined with those mentioned above and could be taught in the context of a mini business plan or in conjunction with the *Young Enterprise* initiative.

Testing of this topic area might be synoptic in nature as it could require drawing upon information from previous questions and answers. Therefore, candidates need to be reminded that business decisions are based on information from a variety of sources and they will need practice in making such decisions themselves.

6.2 THE LANGUAGE OF TESTING

Candidates need to understand that each question will contain one or more *key words* and that these *key words* indicate to the candidate what is expected of them.

Key words include:

Compare	Explain the similarities and differences, or the advantages and disadvantages, between two areas (disadvantages should be different from, not just the opposite of, advantages).
Contrast	Write about the differences between two areas.
Describe	Write about something in enough detail to make it clear to someone who is unfamiliar with the topic/concept etc.
Analyse	Consider the information provided about an issue/topic, and/or information you have collected, and critically examine the different elements in order to make judgements or form conclusions.
Discuss	Put forward both sides of an argument and draw a conclusion at the end of the discussion.
Explain	Give reasons for something.
Identify	Choose, list or name things.
Justify	Make it clear why a particular choice was made, by giving reasons.
Name	Give the specific name of something, usually related to business terminology.
State	Write down the answer to the question, which may be only one word.
Complete	Fill in the missing information from a partially completed document.
Evaluate	Discuss the importance of an issue, making some attempt to weight your opinions.

It is also worth noting that these key words require different levels of skill and therefore command different marks. Higher level skills such as *analysis* and *justification* will always award more marks than mere *description* or *identification*.

6.3 HINTS FOR CANDIDATES

Although you will be following a detailed teaching and learning programme for this unit, there are always additional activities that you can undertake yourself. If you have been allocated a textbook for this qualification or unit, you may not cover all of the suggested activities in class. It is definitely worthwhile doing extra tasks to ensure that you fully understand the topic areas being covered. If you are still unsure about something you have been taught, try looking it up in a different textbook or other source of information. Different writers have their own methods of explaining things and you might find that a topic has been written in a way that you do not understand.

You may come across lots of different businesses in your everyday life and these can be a very useful source of information for you on this course. However, the people involved in running these businesses are not always willing or able to talk to you about finance, as it can be a very confidential issue. Sometimes though, you might be able to gather information about businesses in which family members are involved. Parents, brothers and sisters, aunts and uncles are often able to pass on information about where they work and what systems they have in place. Try talking to them and you may be surprised how much they can help in your understanding of this subject.

As Business Finance is a specific aspect of business, you may also find some very good information, and more exercises to practise, in more specialised Accounting books. There are a number of these available but they are directed at very different levels of knowledge and you need to make sure that any you use are simple enough for you to understand.

Finally, it is worth reinforcing the message that ICT can really help you to complete this unit effectively. This is especially true of spreadsheet packages as they can be used to create forecasts and perform calculations that can save you time and ensure better accuracy. Very few businesses now are able to maintain effective financial systems without systematic and maximum use of computer technology. By making an effort to improve your own skills in the use of ICT you will find this unit much easier to complete and you will also be developing the kind of skills that businesses are looking for in their future employees.

