

IGCSE

London Examinations IGCSE

Business Studies (4330)

First examination May 2005

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delivered locally, recognised globally

Teacher's Guide

London Examinations IGCSE

Business Studies (4330)

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Introduction

This guide is for centres who are delivering the London Examinations IGCSE Business Studies Specification.

The aims of this guide are to support teachers in delivering the Specification content and to raise the achievement of students by

- providing an example scheme of work
- providing details of the assessment criteria
- suggesting a range of possible textbooks and other resources

To further support teachers as they work with students towards the terminal examinations, this guide

- shows how teachers can work with students to help them understand how they can achieve their full potential
- advises teachers to use the assessment criteria, throughout the course of study, to indicate individual student development and performance
- provides a list of command words, directly linked to the four assessment objectives.

Tiers of entry

Students are entered for either Foundation Tier or Higher Tier.

The **Foundation Tier** paper is designed for students who are unlikely to achieve a high grade, but whose achievement can still be recognised with a grade at the appropriate level. No matter how well students may do on the Foundation Tier paper, the highest grade they can be awarded is grade C. Students who fail to achieve grade G will be awarded 'Ungraded'.

The highest grade which can be awarded on **Higher Tier** is A*, a grade reserved for only the highest achievers at the top of grade A. Questions in the Higher Tier are targeted at grades A* to D, but there is a 'safety net' for those who narrowly fail to achieve grade D. A grade E can be awarded to students who are within a few marks of grade D. Students who fail to achieve the safety net grade E, will be awarded 'Ungraded'.

The Foundation and Higher Tier papers take place at the same time, so students cannot be entered for both examinations. This puts the responsibility on the teacher to ensure that a student is entered for the appropriate tier. Students who consistently achieve grade C standard work in practice tests would normally be entered for the Higher Tier, where they have the opportunity to achieve the higher grades.

Because of the overlap at grades C and D between the two tiers, there are some questions common to both tiers.

Coursework and Paper 3

The only tiered papers are 1F and 2H. Coursework and Paper 3 are common to both tiers, for which grades from A* to G can be awarded.

Structure of specification

The Assessment for this Specification breaks down as follows

Paper/ Component	Mode of Assessment	Weighting		Length
		Foundation	Higher	
1F	Examination Paper Foundation Tier Grades C – G	80%	–	1 hour 30 minutes
2H	Examination Paper Higher Tier Grades A* – D	–	80%	1 hour 30 minutes
3	Examination Paper Common to both Tiers Grades A* – G	20%	20%	1 hour
4	Coursework – Grades A* – G	20%	20%	–

Assessment requirements

The first assessment of this Specification will be in May 2005. Assessment will be available in each examination session (May or November) thereafter.

Within each Paper/Component, the assessment will comprise

Paper 1F	Paper 2H	Paper 3	Paper 4
Question 1 20 marks	Question 1 20 marks	Question 1 20 marks	One of two pieces set by Edexcel 36 marks (scaled to carry equal weighting as Paper 3)
Question 2 20 marks	Question 2 20 marks	Question 2 20 marks	
Question 3 20 marks	Question 3 20 marks		

Papers 1F and 2H are weighted to account for 80% of the total marks

Papers 3 and 4 (coursework option) are weighted to account for 20% of the total marks

The types of question for each tier will be

Foundation Tier – Multiple choice/short answer/structured questions

Higher Tier – Short answer, structured and open-ended questions

Questions are designed to test the candidates' knowledge of the Assessment Objectives for each tier. Command words used in questions are matched to the Assessment Objectives. A list of these command words is on page 21. Candidates will need to understand the link between the command words and assessment objectives, as outlined on page 21.

Relationship of assessment objectives to assessment components

Foundation Tier

Assessment objectives (AO)	Paper 1F weighting	Paper 3 weighting OR Paper 4 (coursework) weighting	Overall weighting
AO1	20%	10%	30%
AO2	20%	10%	30%
AO3	10%	10%	20%
AO4	10%	10%	20%

Higher Tier

Assessment Objectives (AO)	Paper 2 weighting	Paper 3 weighting OR Paper 4 weighting	Overall weighting
AO1	10%	10%	20%
AO2	10%	10%	20%
AO3	20%	10%	30%
AO4	20%	10%	30%

Assessment objectives

The objectives of the assessment are to enable candidates to

- AO1** demonstrate knowledge and understanding of the specified subject content
- AO2** apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues
- AO3** select, organise, analyse and interpret information from various sources to analyse problems and issues
- AO4** evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately.

The percentages are not intended to provide a precise statement of the number of marks allocated to particular assessment objectives.

Course planning

Whilst the planning of delivery from the Specification is the responsibility of the centre, the following scheme of work for a two-year course may be a useful starting point.

TERM 1 of 5

Content area	Topic	Activities	Resources
1	Business activity		
1.4	Primary, secondary and tertiary activity <ul style="list-style-type: none"> - Primary – extraction of natural resources - Secondary – raw materials transformed into semi-finished/finished goods by the manufacturing/construction industries - Tertiary – services such as transport/distribution or financial/professional services which support primary/secondary activity 	Teacher explanation and examples Group discussion Note taking Question and Answer Research into relevant business activities	Textbooks Worksheets Internet Speakers Work experience
1.3	Factors of production <ul style="list-style-type: none"> - Enterprise/capital/labour 	↓	↓
1.1	Objectives <ul style="list-style-type: none"> - Wealth creation, survival, market share, profitability 	↓	↓
1.2	Types of organisation <ul style="list-style-type: none"> - Ownership, control, sources of finance, use of profits, stakeholders - Sole trader, partnership, private/public limited companies, franchising, multi-nationals - Public sector organisations – local authority enterprise, privatisation, shareholding 	Teacher explanation and examples, student research, writing-up examples of local businesses, group presentations	Local businesses, case-studies, company visits, pamphlets, annual reports, web sites, business magazines, newspapers, parents and governors
1.8	Judging success <ul style="list-style-type: none"> - Size, turnover, shareholders, number of employees, consumer reaction/satisfaction 	↓	↓

TERM 2 of 5

Content area	Topic	Activities	Resources
2	Human Resources		
2.1	Internal organisation <ul style="list-style-type: none"> - chain of command, hierarchy, span of control, delegation - key departments, production, marketing, personnel, finance - roles/responsibilities of employees 	Group discussion, prior knowledge from business research, question and answer, group presentations on different departments	Visiting speaker, school structure, mini-enterprise, case studies
2.2	Communication <ul style="list-style-type: none"> - good communication - effects of poor communication - methods of communication – paper, electronic, people, organisations 	Examples and use of different methods of communication e.g. face-to-face activities.	Exemplar materials, e.g. letters, memos, e-mail, could be linked to Coursework Assignment 1
4	Marketing		
4.1	The Market <ul style="list-style-type: none"> - market types – consumer, commercial/industrial - market orientation – what consumer wants - product orientation – focus on products - marketing – process, identify consumer wants, predict future wants - Market segments – consumers in groups - market research – product, market, competition 	Developing a marketing plan within a given context, could be related to Coursework Assignment 2	Textbooks, company websites, owners of businesses, research, appropriate data
4.2	The Marketing Mix <ul style="list-style-type: none"> - price – supply/demand, cost plus, penetration, competition, skimming, promotional - promotion – aims, below the line – reductions, gifts, point of sale, after sales, free samples, competitions - types of advertising – persuasive/informative - media – TV, radio, cinema, newspapers, magazines, posters, leaflets, Internet - place – channels of distribution (transport routes), methods (retailers, department stores, chain stores, discount stores, superstores, supermarkets, direct sales, mail order, e-commerce) - product – goods/services, branding, packaging, product mix, product life cycle 	↓	Promotional materials, trade fairs, advertising materials, newspapers, magazines, videos
4.3	Market Research <ul style="list-style-type: none"> - Primary - questionnaires, interviews, observation, experiment, consumer panels - Secondary - sales records, journals, trade associations, government reports/statistics - using, presenting, analysis and evaluation of research findings 	↓	↓

TERM 3 OF 5

Content area	Topic	Activities	Resources
2	Human Resources (continued)		
2.3	Recruitment and selection <ul style="list-style-type: none"> - internal/external recruitment - job description – written account, job title, duties, responsibilities, accountability - job Specification – physical/mental abilities and personal skills required by applicant - advertising – media, style, target, place - interviews – planning operation - selection – matching applicant to job description and job Specification - effects of legislation on equal opportunities – gender, race, pay, disability, sexual preference 	Recruitment and selection exercises, mock interviews	Textbooks, newspaper advertisements, application forms, job descriptions, job Specifications, visit by HR manager, other business representatives, school governors, parents
2.4	Training <ul style="list-style-type: none"> - induction – introduces new employees to the business and staff - on-the-job – learning job skills at work, specific training for employee, alongside experienced worker, immediate productivity - off-the-job training – training away from work, in college or training centre, specialist instructors, away from pressure of working environment, easier for company to estimate cost and monitor progress - government schemes – set up to give training opportunities, gives employees a range of experiences, financial support for company - costs/benefits to employer/employee – skilled workforce, reduced turnover, improved efficiency, reduced costs, quality assurance - qualifications, promotion prospects 	Explanation of different types of training, note taking, individual and/or group research	Video, visits, work experience, case studies
2.5	Motivation and rewards <ul style="list-style-type: none"> - theories – Maslow and Herzberg - rewards – wages/salaries, commission, bonus, profit sharing, share ownership, non-financial incentives, job satisfaction 	Group discussion, notes, question and answer research (e.g. a questionnaire)	Textbooks, Internet, employees
	Interpretation of Coursework Assignment Criteria	Check student understanding of criteria	Student Check List
	Start data collection for Coursework Assignment	Linked to assignment chosen	Coursework assignment and appropriate sources and resources
	End of Year Examinations	Revision exercises, examination techniques	Past papers and Chief Examiner's Annual Reports

TERM 4 of 5

Content Area	Topic	Activities	Resources
3	Accounting and Finance		
3.3	Cost and break-even analysis <ul style="list-style-type: none"> - direct costs /variable costs, change directly in proportion to output (raw materials, overtime, fuel and power) - overheads/fixed costs – remain unchanged whatever - break-even analysis 	Break-even by calculation and chart, discuss relationship between costs and revenue	Worksheet examples, guides to using ICT, company accounts, past papers
3.4	Final Accounts <ul style="list-style-type: none"> - gross/net profit/capital/assets/liabilities - trading account – first part of profit and loss account - profit & loss account – shows profit/loss - balance sheet – shows what the business owns/owes 	Teacher explanation, exercises in interpretation of final accounts	Worksheets, extracts from company accounts, textbooks
3.5	Ratios and performance <ul style="list-style-type: none"> - gross profit - net profit - ROCE - current ratio - acid test 	Teacher guided working on ratios, interpretation of results of formulae	Worksheets
3.2	Budgets and cash flow forecasts <ul style="list-style-type: none"> - budgets - cash flow forecasts 	Group discussion, cash flow forecasts, mini-enterprise, business plan	Worksheets, business plan outlines, ICT guides, textbooks
3.1	External/internal sources of finance <p>Short-term start-up capital –</p> <ul style="list-style-type: none"> - own capital – savings, windfall - overdraft – availability, cost - bank loan – business plan, security, interest - friend/family – no security, no interest - government/EU grant/loan – encouragement to invest/create jobs, small businesses, incentives, tax relief, regional developments <p>Long-term –</p> <ul style="list-style-type: none"> - reinvestment of profits/reserves – to finance expansion - issue more shares – known people (private) or general public (public) - bank – documentation on forecasting, cash flow and influence of fluctuating interest rates 	Group research into different sources of finance and presentation of findings in a given context	Textbook, company details, information from banks

TERM 5 of 5

Content Area	Topic	Activities	Resources
5	Production		
5.2	Methods of production - job, batch, flow (mass)	Teacher explanation, matching methods of production to type of product	Examples of products, videos, visits
5.3	Productivity - methods – lean production/JIT, stock control - technology – EPOS, EFTPOS, CAD, CAM, CIM	Examples of these methods in given contexts	Visits, textbook, case studies
5.4	Quality - quality control, TQM - consequences of poor quality	Teacher exposition, examples	Textbook, case studies
5.1	Economies/diseconomies of scale - internal economies (technical, managerial, trading, financial) - external economies (location, skilled labour availability, reputation of area)	Teacher exposition and note making	Textbook, case studies, worksheets
1.5	Business activity (continued) Location - production – influences of location - competition – gap in market or similar goods/services already there - legislation – planning permission, marketing/trading - environment – costs/benefits to community, infrastructures - employment – availability of skilled/unskilled workforce	Mapping activity and note-making on the factors that affect the location of all business	Maps, relevant data, textbook, case studies, work experience visits, relevant web sites (e.g. Greenpeace)
1.6	Government influences on business - government – factors influencing location - government influences - employees – terms/conditions, health, safety, training, wages - consumers – consumer protection legislation - finance – constraints on public expenditure/taxation - imports/exports – tariffs, quotas, exchange rates, currency, technology and environmental effects - economic – taxation, interest rates, currency changes	Teacher exposition and note making	Textbook, case studies, worksheets
1.7	Technology and environmental influences - environmental – legislation - technology – e-commerce/Internet - social – tastes and habits	Group discussion and research	Relevant websites, textbooks, case studies
	Completion of optional coursework and outstanding course content, revision and examination practice	Completion and assessment of chosen coursework.	Coursework Record Sheet, Specification, Textbooks, past papers

Coursework

Introduction

The aim of this section is to support teachers in delivering the Specification content and to raise the achievement of students in coursework by

- providing information on coursework requirements
- providing details of the assessment criteria requirements
- providing an example of a coursework assignment plan
- encouraging teachers to integrate the assessment criteria when planning work for students
- advising teachers that achievements can be raised by linking performance to assessment criteria, throughout the course
- providing a check sheet for students, to record their own progress and achievement in their coursework, against the assessment criteria
- providing examples of student outcomes from coursework.

Assessment requirements

Students/centres taking the coursework option will select **ONE** coursework assignment from the two provided by Edexcel. The coursework will be assessed by the teacher-examiner using the Record Sheet and assessment criteria.

An assessed coursework assignment is

the **one** selected from the two provided by Edexcel International and assessed by the teacher, using the Record Sheet.

Coursework assignment options are linked to **two** sections in this Specification:

- 1 Human Resources
- 2 Marketing.

Students may be allowed to choose either coursework assignment, or the group could be encouraged to select the same one, which could be more manageable for teachers in terms of preparation, resources and assessment.

Teachers must ensure that, to reach their full potential, all candidates fully understand the criteria.

Coursework is not tiered; the assignments are accessible to students of all abilities. The assessment of the assignment will be related to marking criteria which are designed to award positive achievement.

Assessing students' work

The IGCSE Business Studies Record Sheet has been designed to be attached to each assessed assignment submitted for moderation. It may also be used as a working document, to enable teachers to keep an ongoing record of progress.

It is essential that each piece of coursework should be marked, in the margin, with the appropriate assessment criteria number from the Record Sheet.

If assessment criteria 2.8, 2.9, 3.8 or 3.9 are awarded (as an overall professional judgement at the end of the coursework assignment), this **must** be shown on the front sheet of the coursework assignment.

The IGCSE Business Studies Record Sheet should be ticked in all the appropriate boxes and the total number of ticks entered in the **TOTAL** box. **The Record Sheet should be fastened to the front of the assessed assignment.**

The following two pages show

- (a) how to use the Record Sheet
- (b) the Record Sheet, which must be used for recording the assessment and attached to the coursework samples that are submitted to Edexcel, as part of the postal moderation procedures. This Record Sheet has been completed **as an example**.

Moderation

Purpose	To ensure consistency of interpretation – it is not a remarking exercise.
Method	Inspection of a sample of the centre's work.
Selection of sample	A sample will be selected by Edexcel International (highest and lowest mark must also be sent if these are not requested in the sample).
Mark changes	If necessary, by the Principal Moderator only.

Using the IGCSE Business Studies Record Sheet

An example of the Business Studies Record Sheet is provided on the following page. The purpose of the Record Sheet is

- to enable teachers to plan coursework which directly targets the assessment criteria
- for use as a precise assessment tool by teacher-examiners
- to help candidates understand the assessment objectives on which they will be examined
- supported by examples of students' work and a Student Check List (see Appendices).

Completing the Record Sheet

The candidate's Record Sheet should be ticked when evidence of assessment criteria is seen, and annotated in the coursework by a reference in the margin, e.g. 1.1, 4.3.

Teacher-examiners make this judgement in accordance with the criterion statements

- at the most basic level the candidates demonstrate, identify, state, gather, record, collate
- at the higher levels, the candidates recognise, consider, develop, review, interpret, draw conclusions, make critical comparisons, address problems effectively, make judgements and produce detailed evaluations.

The title in the box matches the marginal reference already annotated, e.g. 1.1, 4.3. This needs to appear **ONCE** only in the margin, although most teacher-examiners will want to confirm all awards at more than one point.

With the criteria 2.8, 2.9, 3.8 and 3.9 the teacher-examiner may annotate 'overall' at the **front** of the coursework.

Candidates can further raise their achievement by always

- presenting their action plans in the future tense (2.3, 2.6, 2.9)
- identifying actual sources used by name (1.2, 3.4)
- presenting reports in a recognised report format (3.9)
- doing **more than** just describe (1.6, 1.7, 1.9, 2.7, 2.8, 3.5, 3.8, 4.8)
- presenting original work and not photocopies or downloads from CD-ROMs or the Internet
- being concise, and avoiding irrelevant material (only include material which is capable of being credited).

Some examples of the above are given in *Appendix 2 and Appendix 3*.

IGCSE Business Studies Coursework Record Sheet – Example only

Candidate Name:

A.N Other

Candidate No:

0000

Centre Name:

***** School

Centre No:

9****

1 DEMONSTRATE knowledge and understanding of the specified subject content (Each ticked box is equal to ONE mark)

1.1 Demonstrate basic knowledge or identify basic factors	<input type="text" value="4"/>	1.4 Recognise constraints	<input type="text" value="4"/>	1.7 Consider alternatives	<input type="text" value="4"/>
1.2 Identify sources of knowledge - text, people, organisations, electronic - any 2	<input type="text" value="4"/>	1.5 Recognise differences or check availability	<input type="text" value="4"/>	1.8 Show sound knowledge of, or recognise, relationships	<input type="text"/>
1.3 Identify business aims or objectives	<input type="text" value="4"/>	1.6 Consider influences	<input type="text" value="4"/>	1.9 Show critical understanding or make comparisons	<input type="text"/>

2 APPLY knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues (Each ticked box is equal to ONE mark)

2.1 State basic terms or concepts or theories	<input type="text" value="4"/>	2.4 Consider issues or legislation	<input type="text" value="4"/>	2.7 Recognise strengths and limitations of ideas used and make decisions	<input type="text"/>
2.2 Apply basic methods	<input type="text" value="4"/>	2.5 Apply methods relevant to topic	<input type="text" value="4"/>	2.8 Effectively address problem	<input type="text"/>
2.3 Prepare basic action plan or business plan	<input type="text" value="4"/>	2.6 Develop action plan or business plan	<input type="text" value="4"/>	2.9 Present action plan or business plan with supporting documentation	<input type="text"/>

3 SELECT, organise, analyse and interpret information from various sources to analyse problems and issues (Each ticked box is equal to ONE mark)

3.1 Select a relevant source or gather basic information	<input type="text" value="4"/>	3.4 Gather additional information from a minimum of 3 sources or show some ability to organise and use	<input type="text" value="4"/>	3.7 Organise a systematic gathering of information from 4 sources	<input type="text"/>
3.2 Record information	<input type="text" value="4"/>	3.5 Review or interpret information	<input type="text" value="4"/>	3.8 Apply information to task and use effectively	<input type="text"/>
3.3 Collate information	<input type="text" value="4"/>	3.6 Consider alternatives	<input type="text"/>	3.9 Prepare a logical and comprehensive report or presentation	<input type="text" value="4"/>

4 EVALUATE EVIDENCE, make reasoned judgments and present conclusions accurately and appropriately (Each ticked box is equal to ONE mark)

4.1 Make basic comments	<input type="text" value="4"/>	4.4 Consider results or make limited attempt at analysis and conclusion	<input type="text" value="4"/>	4.7 Evaluate outcomes and indicate possible improvements	<input type="text"/>
4.2 Relate conclusions to task	<input type="text" value="4"/>	4.5 Distinguish between facts and opinions and draw limited conclusions	<input type="text"/>	4.8 Produce a detailed evaluation, suggest and justify relevant improvements	<input type="text"/>
4.3 Make basic reference to financial or social or environmental effects	<input type="text" value="4"/>	4.6 Consider financial or social or environmental effects	<input type="text" value="4"/>	4.9 Link financial or social or environmental effects to suggestions	<input type="text"/>

NB Candidates may score at any point but Teacher-examiners and Moderators must be satisfied that the candidate is generally meeting the indicated level. Scripts must be annotated with **criteria codes** and this Record Sheet attached to scripts.

TOTAL (Max 36)

Working with the Record Sheet (coursework option)

The following information gives teachers further details about several of the content areas on the Record Sheet. The table below shows the main features of these criteria and how they should be interpreted.

Content Areas	Some criteria
3.2	are single
2.2	are plural and require the candidates to use more than one method
3.4	allow an alternative
2.7	have more than one element
1.2; 3.4; 3.7	are interdependent
1.7 and 3.6	can be confused

- 3.2 Record information:** e.g. candidates might present a table/graph/list.
- 2.2 Apply basic methods:** e.g. candidates might use a spreadsheet **and** a questionnaire.
- 3.4 Range of sources or ability to organise/use:** e.g. candidates **either** name three sources from electronic, people, text, and organisations **or** have organised and used information.
- 2.7 Recognise strengths and limitations of ideas used and make decisions:** e.g. candidates must work with more than one idea and, for each of those ideas, must indicate at least two strengths, two limitations and two decisions.
- 1.2 Identify sources of knowledge:** at least **two** sources from electronic, people, text, and organisations.
- 3.4 Gather additional information from three of the sources:** candidate **names** at least **two** sources from electronic, people, text, and organisations.
- 3.7 Organise a wide systematic gathering of information from all 4 sources:** e.g. candidate **names one each from all four** sources (electronic, people, text, organisations) and demonstrates the systematic gathering. From this it is clear that **3.7** could not be correctly credited if **1.2** and **3.4** have not already been correctly credited.
- 1.7 Consider alternatives:** in demonstrating knowledge and understanding.
- 3.6 Consider alternatives:** in selecting and analysing information relating to the problem.

The nature of the coursework

One of the two coursework assignments concerns the marketing of a retail outlet. Below is

- (a) the assignment taken from the Specification
- (b) an example of a plan for delivery to students.

(a) Assignment 2

Assignment 2: Marketing strategies <i>(Section 4 of the Specification)</i>
<p>Background work</p> <p>A new retail business (for example a florist, a hairdresser, a garage) is opening in your area. Similar businesses already exist in the area and for the new business to be successful, a small-scale marketing campaign will be necessary.</p> <p>You will need to investigate</p> <ul style="list-style-type: none">• the different types of media that would be available for such a campaign• the market research that could be undertaken to decide upon the marketing campaign• marketing, including promotion and advertising.
<p>Activity</p> <p>Prepare a marketing plan for your campaign.</p> <p>The plan must indicate</p> <ul style="list-style-type: none">• the alternatives you have considered• the reasons for the decisions you have made. <p>Where possible, your assignment should contain evidence of use of information communication technology (ICT).</p>

(b) Assignment Plan

You are thinking of setting up a new retail business (e.g. a florist, hairdresser, garage etc) in your area. You know, from your own knowledge of the area, that similar shops already exist. You will have competition! Will your business be successful? Is there room in the market for your shop too?

You need to investigate the process you would go through before opening your shop.

What information would you need to find out before you started and how would you set about collecting it?

Having gathered this information and analysed what it means, might you alter your original ideas for the business?

Presuming you went ahead with the shop, how would you attract your customers? How could you advertise and promote your business?

Your main tasks are

- 1 to conduct market research, to find your target market
- 2 to look at the results of the market research, decide what these results tell you and make any necessary changes to your original plans
- 3 on the basis of your results, decide how you can best advertise and promote your new business, i.e. plan a **marketing campaign**.

You may use any appropriate method to present your report e.g. charts, tables, graphics and diagrams. You should try with each task to

- provide some background theory, e.g. notes from a textbook or from your teacher
- give details of alternative actions/methods which were open to you
- state your reasons for the decisions that you have made.

Use notes, textbooks, magazines, interviews, CD-ROMs, the Internet etc to help with answers but always identify, by name, your sources of information at the end of the task.

NB a bracketed criterion (2.7) indicates this is possible if depth of response is very good.

Assessment Criteria

Task 1 – Action Plan

You must complete an action plan – this will be helpful for you because it will make you think of

2.3
2.6

- what you have to do
- what information you need
- how or where you are going to get that information
- what alternative strategies there are if, for instance, you cannot find the information you require.

You need not write in great detail, but give enough information to show that you know what you are doing and are in command of the situation! Do not forget to include dates and use the action planning sheets provided.

You should find it helpful to clarify in your own mind what each task involves.

Task 2

Write a brief definition of marketing, using textbooks and notes to help you.

1.1, 2.2, 3.1

At the end of the definition, include the sources you used – put the name of the author(s), the book(s), the named person(s), the website(s) etc. To find out whether your business will be successful, you need to find out who your potential customers or **target market** will be and what kind of products and services they will require. This information will also be needed when you come to decide how to promote and advertise your new business.

1.2, 3.4

Task 3

Draft a suitable questionnaire which will give you information about your target market and the products/services they require. 2.2

Word-process the questionnaire (if possible), paying attention to presentation and spelling. 2.5, 3.2, 3.3

Apply your questionnaire – interview people who have an interest in your kind of business (e.g. do not give one to an elderly person if you are opening a windsurfing shop!).

Task 4

Explain why you produced the questionnaire. 1.1, 1.2

Explain what information you hope to gather from the completed questionnaires and why you need this information. 2.2, 4.1, (4.5)

Discuss the various other methods of market research you could have used. 1.5, 1.7, 3.6

Your shop is not the only one of its kind in the area. You should be able to assess what your competitors offer – there may not be sufficient demand for two businesses offering exactly the same service or product. 1.4, 1.6

Task 5

Visit a shop or shops similar to the type you have chosen to open. Either through your own observations, or by talking to the owner(s), make notes and try to answer the following 3.1, 3.4

(a) the name of the shop, its type and its aims/objectives 1.2, 1.3

(b) the shop's location and how important you consider this to be with regard to the shop's success 1.6, 4.3

(c) the range of goods/services it offers 3.1

(d) what you consider their target market to be 4.1

(e) are there any ways in which (d) had influenced (b) and (c)? 1.6 4.3 4.6

(f) state what effect the opening of your shop might have on the community and existing businesses. You could present this in the form of advantages and disadvantages. 2.4 4.6 (2.7)

Task 6 – Marketing Plan

Hopefully you and your class will have 30-40 completed questionnaires between you – you can now begin to prepare your **Marketing Plan**.

Use your completed questionnaires.

- | | | |
|-----|--|----------------------------------|
| (a) | You have to review your market research results – what information does the questionnaire data provide? | 3.3, 3.5, 4.1
4.4, (4.5) |
| (b) | You may use any means to support and illustrate the results of your questionnaire. | 2.2, 2.5, 3.4
4.1, (4.2), 4.3 |
| (c) | Discuss how your results will help you make decisions with regard to business location, target market, pricing etc. | 4.2, 4.1, 4.5
3.6 |
| (d) | Discuss the effectiveness of this kind of survey: as you carried it out compared to how it might be done in reality by a small business. | |

Your next task is to plan the Marketing Campaign, to bring your business to the notice of the public.

- | | | |
|-----|--|--------------------------------|
| (e) | Discuss the main ways in which any business can promote and advertise its products/services and how legal constraints can affect how it does this. | 1.1, 1.5
2.4, 1.7 |
| (f) | Where possible, get the costs for the promotion. This may affect your eventual choice of method(s). | 2.2, 2.5, (3.7) |
| (g) | Give your conclusions and final decisions on the promotional and advertising methods you have decided upon. | 2.7, 2.9, 3.9
1.5, 4.4, 4.7 |
| (h) | You should aim to be realistic in terms of cost and feasibility and you should provide some proof that you have taken these factors into account (e.g. details of costs of printing leaflets etc). | 3.7, 3.8, (4.8) |
| (i) | You could include any original promotional material, such as draft advertisements, which you have designed for your marketing campaign. | 2.2, 2.5 |

Remember

- | | | |
|---|--|----------------------|
| • | always identify, by name, the sources of your information | 1.2 |
| • | assessment criteria 2.8, 2.9, 3.8 and 3.9 will usually be awarded as overall marks at the end of your coursework assignment. | 2.8, 2.9
3.8, 3.9 |

Key issues for delivery

In the previous section, there is an example of the planning which is required for the delivery of the coursework assignment. In this plan a number of key issues are apparent. These are

- the assignment has been broken down into a number of discrete, yet linked, activities
- each task has been cross-referenced to the assessment criteria
- assistance and guidance are given to students within the plan; the plan assumes that students have been given a working knowledge of the assessment criteria – remember this will also assist them in their preparation for the final examinations
- a way of ensuring this working knowledge could be to use the Record Sheet (page 14) or the Student Assessment Criteria Check List (Appendix 2)
- students can also be assisted in raising their understanding and achievement by reference to the Sample Student Outcomes (page 33 onwards)
- through their knowledge of the assessment criteria, students will understand that simply knowing the facts cannot gain a high grade in coursework or in the examinations, but that application of knowledge is essential.

Ideas for projects

Teachers may expand any of the content areas from the chosen coursework assignment, so long as the required learning and/or coursework outcomes are covered. Teachers must bear in mind the word limit of about 1,500 words for the coursework assignment.

The following suggestions are for any teachers who would like to give their students project work in addition to the coursework

- mini-enterprise, for charity
- organise or take part in a competition
- visits to a theme park or historical sites or attractions, to participate in education programmes
- organise events, such as a business exhibition, business open day at school or a presentation to another group
- organise an activity week on the theme of business
- undertake and report on a period of work experience.

Subject-specific information

Command words in relation to assessment objectives

When designing questions for the Foundation and Higher Tiers, the senior examining team uses command words, which are appropriate for the requirements of each of the Assessment Objectives. Candidates must become familiar with the link between the command words and the Assessment Objectives (see below). Mark Schemes will be designed around the Assessment Objectives. The command word 'explain' is appropriate to all Assessment Objectives. Candidates should note that the number of marks available for each question is an indication of the Assessment Objective and the depth of response required. These command words will be used for each Assessment Objective.

	AO1	AO2	AO3	AO4
Objective	Demonstrate knowledge and understanding of the specified subject content	Apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues	Select, organise, analyse and interpret information from various sources to analyse problems and issues	Evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately
Command Words	Define ... Describe ... Explain ... Give ... Identify ... List ... Name ... Outline ... State ... What is ...	Analyse ... Apply ... Calculate ... Demonstrate ... Draw on ... Examine ... Explain ... Give an example in context ... How ... Show ... Use ... Using x , explain... What would be ... Why ...	Analyse ... Calculate ... Compare ... Discuss ... Explain ... Using the graph/data ... How ... Identify ... Organise ... Select ... Show ... Which ...	Advise ... Analyse ... Assess ... Consider ... Decide ... Discuss ... Do you agree ... Do you think ... Evaluate ... Explain why ... Judge ... Justify ... Predict ... Suggest ... To what extent ... Weigh up ... Which ... Why ...
Comprehension	Do the candidates know and understand or do they just know and describe?	Do the candidates use knowledge and understanding by applying it to a specific situation/case/context or are they just describing?	Do the candidates select/organise/analyse/interpret what they know/understand/investigate or are they just using what they have been given?	Do the candidates make judgements/weigh up positives and negatives/make decisions/draw conclusions/make recommendations or are they just describing their personal feelings?

Raising achievement

The Assessment Objectives *Knowledge*, *Apply*, *Select/Analyse* and *Evaluate* are used in this Specification. Some questions may only assess *Knowledge* and *Application*, whereas others will place more emphasis on *Select/Analyse* and *Evaluation*.

Examination scripts are marked 'top down', which means that in a question requiring evaluation, for example, examiners look for evidence of this skill. If it cannot be identified, then no marks will be awarded against that Assessment Objective.

Therefore it follows that candidates who understand the link between command words and Assessment Objectives, and have been taught to plan logical and extended responses (if appropriate), are better placed to achieve their full potential.

Resources

The following list of websites has been compiled to complement the Textbooks section of the Specification, which is also repeated below.

Search engines

Address (URL)	Comments
www.google.com	Very fast and has an advanced search facility which is easy to use. Now has an image search.
www.altavista.com	Has an excellent 'image search' facility that is accessed from the home page.
www.yahoo.com	A good general search engine.
www.northernlight.com	Useful, as it often makes a hit where other engines do not.
www.ask.com	The 'Ask Jeeves' search engine, which is easy to use.
www.ajkids.com	A good site for students as it is easy to use and has a dedicated area for teachers.
www.hotboot.com	A fast engine.

General websites for business

Address (URL)	Comments
www.bized.ac.uk	Suitable for students and teachers. Has some very good resources and covers most of the content of this Specification.
www.standards.dfes.gov.uk	Has many useful ideas for helping teachers.
www.ngfl.gov.uk	This site has some excellent links.
www.thetimes100.co.uk	100 case studies, can be sorted by Awarding Body and Examination, plus many links to company sites.
www.teacherxpress.com	Excellent links to many subject specific sites.

Other sites for possible use

Address (URL)	Comments
www.marketing-week.co.uk	News on new products and other items.
www.mintel.co.uk	A subscription site that has special rates for education. Masses of marketing reports available to subscribers.
www.dti.gov.uk	The Department of Trade and Industry has some pages that give help and advice on business finance.
www.bized.ac.uk/listserv/companies/comlist.htm	This gives a list and a link to the FTSE 100 companies websites.
www.iipuk.co.uk	Investors In People website, which contains case studies that often include details of the effects of motivation.
http://sol.brunel.ac.uk/~jarvis/bola	A website from Brunel University with good links to other sites. Although of more use for A level students, teachers would find useful material here.
www.foe.co.uk	Friends of the Earth with details of pollution, by area.
www.greenpeace.org.uk	Another pressure group website.

Textbooks

Particularly recommended

Longman Business Studies for IGCSE – A Whitcomb (Longman 2005)
ISBN: 1405 80207 3

Also recommended

GCSE BUSINESS STUDIES FOR EDEXCEL

– S Alpin, J Cooper, G O'Hara and F Petrucke (Hodder and Stoughton 2004) ISBN: 0340816562

COLLINS DICTIONARY OF BUSINESS

Pass, Lowes, Pendleton & Chadwick
Collins
ISBN 0 00 470803 2
(covers everyday business terms)

BASIC FACTS – BUSINESS STUDIES

Collins GEM
Harper Collins
ISBN 0 004 701739
(pocket guide)

GCSE BUSINESS STUDIES

Diane and Stephanie Wallace
Heinemann
ISBN 0 435 45016 6
(case studies and exam practice)

COMPREHENSIVE BUSINESS STUDIES

Whitcomb
Pitman (1994 ed)
ISBN 0 273 60477 5
(traditional textbook)

GCSE A-Z BUSINESS STUDIES HANDBOOK

Arthur Jenkins
Hodder & Stoughton
ISBN 3 340 68336 X
(one sentence definitions with explanations and examples)

**BUSINESS STUDIES
GCSE BITESIZE
REVISION**

Editor: Paul Clarke
BBC Educational Publishing
ISBN 0 563 46413 5
(basic revision guide)

**BUSINESS STUDIES
GCSE**

David Floyd
Letts
ISBN 1 85758 301 9
(all round revision guide)

**BUSINESS STUDIES
GCSE**

Chris J Nuttall
Cambridge
ISBN 0-521-003364-4
(inquiry-based interactive
approach)

FINANCIAL TIMES

www.ft.com
(general business comments)

BIZED

www.bized.ac.uk
(case studies)

ECONOMIST

www.economist.com
(articles and up-to-date
issues)

**GCSE BUSINESS
STUDIES**

Alain Anderton
ISBN 1 873929 28 5
(wide ranging application
including links to other
subjects such as DT and IT)

**GCSE BUSINESS
STUDIES**

Longman Revise Guide
ISBN 1 857 58001 X
(good coursework section)

THE TIMES 100

www.tt100.biz
(8th Edition: 100 case studies of real companies linked to
exam specifications, with learning outcomes, links to other
relevant sites and for some case studies e-learning facilities)

BP

www.bp.com/index.asp
(social, ethical and green
issues)

DYSON

www.dyson.com
(research and development)

**BUSINESS STUDIES FOR
GCSE**

Renee Huggett
Collins (1995 ed)
ISBN 0 00322301 9
(good for independent
learning)

**BUSINESS STUDIES NOW
FOR GCSE**

Karen Borrington &
Peter Stimpson
John Murray
ISBN 0 7195 72223
(student friendly, variety of
activities with good revision
aids)

**BUSINESS STUDIES
(GCSE)**

Chambers, Hall & Squires
Longman
ISBN 0 582 244838
(comprehensive, accessible,
good illustrations)

ASA

www.asa.org.uk
(Advertising Standards Assoc)

DEFINITIONS

[www.projectalevel.co.uk/bu
siness/index.htm](http://www.projectalevel.co.uk/business/index.htm)
(definitions but aimed at
AS/A2)

LEVI STRAUSS

www.levistrauss.com
(social issues)

Support and training

Training

A programme of INSET courses covering various aspects of the Specifications and assessment will be arranged by London Examinations on a regular basis. Full details may be obtained from

International Customer Relations Unit
Edexcel International
190 High Holborn
London
WC1V 7BE
United Kingdom

Tel: +44 (0) 190 884 7750

E-mail: international@edexcel.org.uk

Edexcel publications

Support materials and further copies of this Specification can be obtained from

Edexcel Publications
Adamsway
Mansfield
Notts NG18 4LN

UK

Tel: +44 (0) 1623 450 781

Fax: +44 (0) 1623 450 481

E-mail: intpublications@linneydirect.com

Other materials available in 2003 include

- Specimen papers and mark schemes (Publication code: UG013061)
- Specification (Publication code: UG013046)

Appendices

- Appendix 1 Examples of students' responses at different levels
- Appendix 2 Student assessment criteria check list
- Appendix 3 Commentary on assessed student outcomes
- Appendix 4 Annotated examples of coursework extracts
- Appendix 5 Guide to acceptable format for business documents
- Appendix 6 Glossary

Examples of students' responses at different levels

Appendix 1

Demonstrate knowledge and understanding

1.1	The expansion of McDonald's has been achieved by franchising, i.e. a license to use the name, logo and expertise of an existing, well known business.	1.4	Business prospects will be better if the outlet is located near a school or offices, though I am aware that other similar catering businesses usually exist in such an area. Another problem is the lack of financial resources for the purchase of large capital items . . .	1.7	<i>(Would expect candidates to demonstrate their knowledge of the difference between, for example business organisation, methods of advertising, different sources of finance.)</i>
1.2	My sources of information in this project are case studies by McDonald's, its final accounts and <i>Business Studies for IGCSE</i> by Rene Huggett.	1.5	The business will be easier to control if we remain as a limited company as we can then decide who can and cannot buy shares. If we were a plc anybody could buy shares on the Stock Exchange and the company could be taken over by the person with the most shares.	1.8	<i>(Would expect candidates either to demonstrate sound business knowledge or recognize relationships e.g. cost and revenue, roles and responsibilities, employer and employee.)</i>
1.3	One of McDonald's main aims was to open outlets in most countries in the world.	1.6	Dividends per share and dividend yield (figures given) can influence whether or not potential shareholders invest in the company. The dividend yield is important to investors - if they get more interest at a building society it may be worthwhile selling their shares.	1.9	<i>(Would expect candidates to demonstrate critical understanding by in-depth discussion of business issues or make critical comparisons.)</i>

Apply knowledge and understanding

2.1	One owner of a business is a sole trader, who does everything, like buying stock, serving customers, keeping the books and taking all the risks.	2.4	To make sure nobody had any legal objection against me carrying out this survey I asked my teacher to issue permission letters.	2.7	<i>(Would expect candidates to recognise the strengths and limitations of the ideas they have used and make decisions - a SWOT analysis is acceptable IF decisions made.)</i>
2.2	To do our market research, we decided to conduct four questionnaires and interviews each in town on a Saturday morning..	2.5	Having done the break-even graph, we felt that we could go ahead with the plan, as it showed that we would be in profit after selling 30 key rings.	2.8	<i>(All aspects of the problem will be seen to have been examined, appropriate methods will have been used and justified and there will be evidence of the correct use of business terms and concepts eg the drafting of a cash flow forecast based on accurate figures with some analysis of the results.)</i>
2.3	I will analyse the results shown by the graphs and tables to discover whether the business has been improving or not, and make suggestions as to how the business can be improved.	2.6	We will use batch production as this will save time and money, with everyone making the same product. It will also be easier to check the quality at the end of the batch. This could encourage faster work and a bonus would be paid to the team with the lowest number of rejected goods.	2.9	<i>(Would expect to see a well presented business plan, or report, with accurate information, use of appropriate business language and supporting evidence and documentation.)</i>

Select, organise, analyse and interpret information

- | | | | | | |
|-----|---|-----|---|-----|---|
| 3.1 | I went to see the bank manager to get information about borrowing money for a business. | 3.4 | <i>(Would expect to see evidence of information gathered and appropriately documented from three named sources.)</i> | 3.7 | <i>(Would expect to see evidence of systematic gathering and recording throughout, having used FOUR named sources - electronic, organisation, person, text.)</i> |
| 3.2 | <i>(Would expect to see any information recorded either textually, tabular, graphically, numerically etc.)</i> | 3.5 | The mark up results are good because the percentage is high and they increase each year <i>(figures shown)</i> . Although the net profit margin decreases, the mark up increases - it implies that expenses increase. | 3.8 | <i>(Would expect to see information used appropriately with specific reference to the task(s) with effectiveness being judged against the relevance of the information selected, its organisation and application.)</i> |
| 3.3 | <i>(Would expect to see information logically organised in the form of spreadsheets, databases, graphs, charts, texts etc.)</i> | 3.6 | I could organise this information in two ways; either as table or as a graph because . . . a table would allow . . . whereas a . . . graph would . . . | 3.9 | <i>(Would expect to see evidence of selection, organisation, interpretation, clear use of information from a wide range of sources, either in a report or formal presentation.)</i> |

EVALUATE EVIDENCE

- | | | | | | |
|-----|--|-----|--|-----|---|
| 4.1 | The figures show that McDonald's has not got a very high net profit margin which implies the firm is not very good at controlling costs. | 4.4 | <i>(figures shown)</i> It implies that the debtors pay back debts more quickly. This is good because getting back the money quickly means stronger liquidity and more money for reinvestment. | 4.7 | My marketing research indicates there is a demand for photocopying in Cairo. My cash flow starts to show positive, a few months after starting the business. Profits in the first year would be modest. This is not a cause for concern as most businesses have a difficult time in their initial period. <i>(Needs another of each.)</i> |
| 4.2 | When new employees were trained in the factory they kept being interrupted so it was agreed that in future all training would take place at the College. | 4.5 | <i>(Stating a hypothesis and then either proving or disproving it.)</i> The cash flow gave an estimate of the amounts likely to be made and spent in the first 12 months. However, the actual income and expenditure showed that LE40,000 and not LE30,000 had to be invested. | 4.8 | <i>(Would expect the candidate to have made reasoned judgements, drawn accurate conclusions related to the evidence selected and made justifiable recommendations for improvements.)</i> |
| 4.3 | By engaging the employees I will be helping the Cairo and the wider Egyptian economy in a small way, by reducing unemployment. | 4.6 | Most of its expansion is in Asia but unfortunately the economy there is not very good at the moment so it may be difficult to expand and so the profitability ratios may not improve. | 4.9 | <i>(Would expect candidates to link economic, social or environmental effects of their recommendations in relation to the task.)</i> |

Student assessment criteria check list

Appendix 2

1 Demonstrate knowledge and understanding of the specified subject content

What do you know and understand about business? Show evidence of your knowledge when you write about what you are doing, or what you have done in this project. You will only gain high marks if your work clearly shows that you have considered what might influence how a business works and why and how decisions might be made.

1.1	Write a few sentences about the business or problem you are studying, using business language or terms	1.4	What might stop the business doing what it wants to do? e.g. competition, access to site, location, planning permission, finance.	1.7	Have you shown your knowledge by considering alternatives? e.g. different types of business organisation, different methods of advertising.
1.2	Have you named two sources from electronic, organisation, person and text?	1.5	Have you checked what is available to deal with the task? e.g. types of loan and who gives them, different types of production or communication, different ways of recruiting or training staff.	1.8	Have you fully explained business relationships, or made comparisons, to show that you have thought the task through fully? e.g. effect of advertising on market/demand/sales/revenue, chain of command, span of control, capital investment and return.
1.3	Have you said what the business is working towards or wants to do? e.g. make a profit, expand, diversify.	1.6	Have you thought about what influences affect the business? e.g. market trends, time of year, industrial action, media, location, competition, finance.	1.9	Does your work show that you have a good understanding of business, by fully describing what you have thought about? Have you compared different aspects? e.g. public and private business - with all the differences.

Tick the box and note on your work in pencil in the left margin (e.g. 1.2) when you think you have included something that answers the question and has covered the criteria. Your teacher will need to see and agree the marked coding before signing the box.

Student's signature

Teacher's signature

2 Apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues

How have you used what you know? Show that you can use business terms, that you understand how business decisions are made and how ideas are developed. High scores will only be achieved if you have used what you know in planning and justifying your decisions. You must show evidence by presenting a full business plan or report. Remember, it is not possible to give you full examples; they are only a guide to the level of evidence required.

2.1 Write a few sentences about the business or problem you are studying, using business language or terms.

2.4 Have you thought about the issues? e.g. planning permission, laws which will affect the business.

2.7 Have you shown that you have thought about the strengths and weaknesses of your ideas and fully described the decisions you have then taken and the reasons for them?

2.2 Have you used business terms or ideas? e.g. have you used your knowledge of the marketing mix or sales promotion in a business setting?

2.5 Have you used any business techniques such as cash flow forecasting to estimate sales, market research, record keeping?

2.8 Have you fully explained all aspects of the task? e.g. controlling a budget, staff recruitment and training, reporting to shareholders.

2.3 Have you prepared an outline action plan or business plan to show what you or the business intends to do?

2.6 Have you shown how you have taken your ideas further by thinking about other factors and developing a business plan to include more detail? e.g. supply of materials, cost of equipment, staffing, use of technology.

2.9 Does your report or business plan fully cover all areas? Have you included graphics, tables, or other evidence? Is it written in appropriate business language and presented in an appropriate business style?

Tick the box and note on your work in pencil in the left margin (e.g. 2.5) when you think you have included something that answers the question and has covered the criteria. Your teacher will need to see and agree the marked coding before signing the box.

Student's
signature

Teacher's
signature

3 Select, organise and interpret information from various sources to analyse problems and issues

Have you gathered information from a range of sources and used different methods? You will only get high scores if you have considered at least FOUR sources and methods of collecting information. Show that you understand and have analysed the information in relation to the task. Consider alternatives and communicate it all in a report or other presentation. Remember that it is not possible to give you full examples; they are only a guide to the level of evidence required.

3.1	Have you gathered basic information or shown where you will gather it from? e.g. from businesses, consumers, annual reports, newspapers. <i>(Have you included examples of your research and listed the most important sources you found?)</i>	3.4	What additional information from other sources have you used or included in your business plan, report or other presentation? Is your work well organised and have you used it?	3.7	Have you named and used ALL FOUR sources and different methods and sources systematically and in relation to the task? e.g. showing evidence of letters, questionnaires, interviews etc using a variety of people, organisations, texts and electronic sources.
3.2	Have you kept a record of information gathered? e.g. sales figures, mailing list of suppliers, price list, age range and responses from consumers.	3.5	Have you said what the information means and explained it? e.g. reduced sales in Summer months because . . . or no local supplier of fresh goods which means . . .	3.8	Have you analysed the information to allow you to make decisions about this project? e.g. as sales are low in the Summer we need to offer a different product or service at that time. From the popularity of . . . shown in the responses from . . . the company has decided to . . . which should result in . . .
3.3	Have you brought together the information gathered? e.g. entered in a spreadsheet or database, prepared a table or a chart, included in a booklet, plan, report or presentation.	3.6	Have you thought about other ways to gather information or other information you could have used?	3.9	Have you presented the information in a full business style report with integrated graphics or tables (not just fastened on a separate sheet with no link), or used another full method of presentation such as a talk with notes, overhead transparencies and handouts?

Tick the box and note on your work in pencil in the left margin (e.g. 3.4) when you think you have included something that answers the question and has covered the criteria. Your teacher will need to see and agree the marked coding before signing the box.

Student's signature

Teacher's signature

4 Evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately

Have you considered all that you have done? High scores will only be achieved if you have considered all the factors, thought about the results and justified your ideas, giving suggestions for possible improvements. You should have made judgements, drawn conclusions and linked economic, social or environmental effects to the task. Remember that it is not possible to give you full examples, they are only a guide to the level of evidence required.

4.1	Have you made basic comments which show that you have thought about your business decisions? e.g. we had to think again about borrowing from a bank because the interest was too high.	4.4	Have you shown that you have thought about the results and drawn some conclusions? e.g. because the company had not considered the cost of re-training staff in calculating the costs of introducing technology . . . raise additional finance.	4.7	Have you looked at the outcomes and thought about how or what improvements could be made? e.g. if the company bought a word processor, the company could keep a mailing list of all its customers stored on disk... this would save time and would look more business-like.
4.2	Are the conclusions you have drawn relevant to the task you were set? e.g. in comparing the two companies we had to consider size and status, ownership, management structure, capital equipment and other assets, staffing.	4.5	Have you shown the difference between facts and your own or others' opinions? Were the results of your research what you expected? e.g. Hoover thought that their free air tickets would be a marketing success but it proved to be a marketing disaster because . . .	4.8	Have you fully described your main decisions or conclusions and clearly stated why you made them? They should be properly discussed using business terms and language. This must be presented logically using any form of presentation e.g. handwriting, DTP, word processing.
4.3	Have you mentioned that decisions or actions might affect prices, profits, world economy, staff, management, community, local area, ozone layers, green issues etc? <i>(You do not have to mention all of them.)</i>	4.6	Have you thought about what effect your work will have on prices, profits, local or world economy, staff, managers, community, local area, ozone layer, green issues etc? <i>(You do not have to consider the effect of all of them.)</i>	4.9	Have you explained any economic, social or environmental effects that might occur because of your decisions and recommendations about the business? e.g. expand by selling milk in carton for home freezers, no supermarkets. May affect milk rounds, loss of franchises, price controls.

Tick the box and note on your work in pencil in the left margin (e.g. 4.6) when you think you have included something that answers the question and has covered the criteria. Your teacher will need to see and agree the marked coding before signing the box.

Student's
signature

Teacher's
signature

Commentary on extracts of student outcomes

Appendix 3

Criteria	Student outcome	Commentary
1.1	<i>The expansion of McDonalds has been achieved by franchising, i.e. a license to use the name, logo and expertise of an existing, well known business.</i>	Candidate has identified basic knowledge about franchising and knows that some of the factors concerning franchising includes use of well known name, recognisable logo and availability of expertise of the franchiser.
1.2	<i>My sources of information in this project are case studies by McDonald's, its final accounts and Business Studies for IGCSE by Rene Huggett.</i>	Two different sources have been named (<i>identified</i>): these are the case-studies provided by McDonalds (<i>organisation</i>) and Business Studies (<i>text</i>).
1.3	<i>One of McDonalds main aims was to open outlets in most countries in the world.</i>	There have to be two aims for this criterion to be awarded. In this example there is one: expansion (<i>open outlets in most countries</i>) another would be required for the award to stand.
1.4	<i>Business prospects will be better if the outlet is located near a school or offices, though I am aware that other, similar catering businesses usually exist in such an area. Another problem is the lack of financial resources for the purchase of large capital items.</i>	A minimum of two constraints have to be recognised. Here the candidate has recognised the constraint of competition (<i>same businesses usually exist in such an area</i>) and the lack of finance (<i>lack of financial resources</i>).
1.5	<i>The business will be easier to control if we remain as a private limited company, as we can then decide who can and cannot buy shares. If we were a plc anybody could buy shares on the Stock Exchange and the company could be taken over by the person with the most shares.</i>	A minimum of two differences have to be recognised. Here the candidate has recognised difference in share ownership between a Ltd and a plc, and the degrees of control.
1.6	<i>Dividends per share and dividend yield (figures given) can influence whether or not potential shareholders invest in the company. The dividend yield is important to investors - if they get more interest at a building society it may be worthwhile selling their shares.</i>	Candidates must show more than just knowledge about influences. Here the candidate has considered one influence, (dividends) and demonstrates thought and not just basic knowledge. A second influence would need to be considered if the award was to be made, e.g. the influence of changes in interest rates on a business.
1.7	<i>The work that will achieve these awards will not be found in a single sentence. Candidates will be working at the higher levels of skills, knowledge and understanding.</i>	Candidates must demonstrate their knowledge and understanding of alternative possibilities such as business ownership, methods of advertising, different sources of finance and then consider them in the context of the problem.
1.8		Candidates either demonstrate sound business knowledge and understanding through in-depth use of knowledge and understanding or recognise relationships, e.g. between costs and revenues, roles and responsibilities, franchiser and franchisee.
1.9		Candidates have to demonstrate critical understanding, through in-depth discussion, of business issues which shows a high level of business knowledge or make comparisons, e.g. between Ltd and plc; loan and overdraft.

Criteria	Student outcome	Commentary
2.1	<i>One type of business owner is a sole trader who does everything, like going to the buying stock, serving customers, keeping the books and taking all the risks.</i>	Candidate has identified a basic term (<i>sole trader</i>) and has also identified a basic concept (<i>taking all the risks</i>).
2.2	<i>To do our market research we decided to conduct four questionnaire interviews each in town on a Saturday morning.</i>	Candidate has applied a basic method by using questionnaires to gather information. (<i>Copies of completed questionnaires were included in the coursework assignment</i>). A second basic method would be required for the award, e.g. a graph.
2.3	<i>I will analyse the results of the graphs and tables to discover whether the business has been improving or not and make suggestions as to how the business can be improved.</i>	This is a basic action plan as the candidate is simply stating what will be done.
2.4	<i>To make sure nobody had any legal objection against me carrying out this survey I asked my teacher to issue permission letters.</i>	Candidate has considered the issue of carrying out a survey in a public place and has given a solution (<i>has thought about the issue</i>). Another issue would be required for the award, e.g. the need to ensure that data gathered is held securely.
2.5	<i>Having done the break-even graph, we felt that we could go ahead with the plan, as it showed that we would be in profit after selling 30 key rings.</i>	Candidate has used break-even graph and has set this method in a relevant context. A second method would be required for the award, e.g. a cash flow forecast.
2.6	<i>We will use batch production as this will save time and money, with everyone making the same product. It will also be easier to check the quality at the end of the batch. This could encourage faster work and a bonus would be paid to the team with the lowest number of rejected goods.</i>	Candidate has developed the business plan through the application of quality control and increased productivity.
2.7	<i>The work that will achieve these awards will not be found in a single sentence. Candidates will be working at the higher levels of skills, knowledge and understanding.</i>	Candidates would be expected to recognise the strengths and limitations of the ideas they have used and make decisions – a SWOT analysis is acceptable IF more than one decision is made from the analysis.
2.8		All aspects of the problem will be seen to have been examined, appropriate methods will have been used and justified and there will be evidence of the correct use of business terms and concepts, e.g. the drawing up of a cash flow forecast based on accurate figures with some analysis of the results.
2.9		The business or action plan will fully cover all appropriate areas. It will include graphics, tables or other evidence and will be presented in an appropriate business style, e.g. a report using business language.

Criteria	Student outcome	Commentary
3.1	<i>I went to see the bank manager to get information about borrowing money for a business.</i>	Candidate has selected a relevant source (<i>the bank manager</i>).
3.2	<i>Information recorded</i>	Candidate used different formats for recording information, e.g. text, tables, graphs.
3.3	<i>Information logically organised</i>	Candidates could demonstrate this through a single page where there is data, followed by a graph, followed by a comment – the work has been collated. It could be further demonstrated through the use of a database e.g. sorts and searches. This could also be awarded where a leaflet has been produced and the information is collated in a logical sequence.
3.4		Candidates will gain this award either from identifying three sources of additional information or showing some ability to organise and use information they already have.
3.5	<i>The mark up results are good because the percentage is high and they increase each year (figures shown). Although the net profit margin decreases, the mark up increases - it implies that expenses increase.</i>	Candidate has analysed the data gathered and has reviewed the position year-on-year.
3.6	<i>I could organise this information in two ways; either as table or as a graph because . . . a table would allow . . . whereas a . . . graph would . . .</i>	Candidate has considered alternative ways of organising their information and given a justification for each way (<i>thought about organisation of information</i>).
3.7		Candidate must have information from four sources and there has to be evidence of the system that the candidate has used to gather the information from those sources.
3.8	<i>The work that will achieve these awards will not be found in a single sentence. Candidates will be working at the higher levels of skills, knowledge and understanding.</i>	Candidate will use information appropriately in the context of the tasks. Its effectiveness will be judged against the relevance of the information selected, its organisation and application.
3.9		Candidate's coursework will be in an acceptable report format and follow a logical sequence from stating the problem through to recommendations and conclusions.

Criteria	Student outcome	Commentary
4.1	<i>The figures show that McDonalds has not got a very high net profit margin, which implies the firm is not very good at controlling costs.</i>	Candidate has made a basic comment. <i>(the firm is not very good at controlling costs)</i>
4.2	<i>When new employees were trained in the factory they kept being interrupted so it was agreed that in future all training would take place at the College.</i>	Candidate has drawn a conclusion on the suitability of the training method to be used. <i>(in future all training would take place at college)</i> A second conclusion would be needed for the reward, e.g. if training were to take place at the College, this would increase the training costs.
4.3	<i>By engaging the employees I will be helping the Cairo and the wider Egyptian economy in a small way, by reducing unemployment.</i>	Candidate has made a basic reference to two social effects. <i>(helping the local community by reducing unemployment)</i>
4.4	<i>(figures shown) It implies that the debtors pay back debts more quickly. This is good because getting back the money quickly means stronger liquidity and more money for reinvestment.</i>	Candidate has made a limited attempt at analysis, in the references to the payment of debts and has indicated a conclusion by stating that more money would be available for re-investment.
4.5	<i>(Stating a hypothesis and then either proving or disproving it.) The cash-flow gave an estimate of the amounts likely to be made and spent in the first 12 months. However, the actual income and expenditure showed that LE40,000 and not LE30,000 had to be invested.</i>	Candidate has stated a hypothesis <i>(opinion)</i> and then referred to the actual result <i>(fact)</i> and drawn a conclusion <i>(improved cash flow)</i> . A second set of fact/opinion/conclusions is required for the award, e.g. candidate could have designed a questionnaire requiring facts and opinions from respondents. The conclusion would come from an evaluation of the way in which each type of question worked.
4.6	<i>Most of its expansion is in Asia but unfortunately the economy there is not very good at the moment so it may be difficult to expand and so the profitability ratios may not improve.</i>	Candidate has thought about a financial effect. <i>(profitability ratios may not improve)</i> A second effect would be required and this could be the effect of pricing policies of low labour costs in Asia.
4.7	<i>The work that will achieve these awards will not be found in a single sentence. Candidates will be working at the higher levels of skills, knowledge and understanding.</i>	Candidate would have evaluated the work, stated more than one outcome and then, for each outcome, indicated at least one improvement, eg in a marketing plan the candidate would evaluate the plan and reconsider promotional methods.
4.8		Candidate would have made reasoned judgements, drawn accurate conclusions related to the evidence, selected and made justifiable recommendations for improvements.
4.9		Candidate would have explained economic, social or environmental effects that occurred because of decisions and recommendations related to the problem.

The following examples show how the teacher-examiner annotates, in the right-hand margin, evidence of meeting the assessment criteria.

Information Sources

Business Studies by Chambers, Hall and Squires

Internet: www.tesco.co.uk

LloydsTSB for leaflet on starting a small business

Mr Gerald Jones, Manager of LloydsTSB

1.2

The main aims of my business are survival, profit and later, expansion.

1.3

Survey of Mobile Phones used by Sales Team

Manufacturer	Number
Nokia	12
Ericsson	3
Phillips	2
Samsung	2
Motorola	2

3.1
3.2

Information Needed	Sources	Finish by:	Problems/comments
include what the piece of work is about	'Business Studies' by Chambers, Hall and Squires and teacher, Mr Smith	21 Jan 05	intro was easy because of guide sheet from Mr Smith
market research – include a definition and reasons why I am doing it, also different methods I could use, data collection, results, analysis, graphs, conclusions	as above	4 Feb 10 Feb	this was more difficult because of the detail of explanation – graphs were easier because I used Excel, the Microsoft spreadsheet
advertising to include a definition and my decisions and why I made those decisions	Mr Smith and the ASA web site, www.asa.org.uk	13 Feb 27 Feb	enjoyed learning about advertising and conclusions were good because of research

1.2
2.3
2.6

The candidate considered three different ways of selling their products. For each method the candidate gave the strengths and weakness of the method. 2.7

Two methods of selling were then decided upon and the reason for the selection of these two methods was clearly stated.

The candidate commented on the likely responses to the questions on the questionnaire.

The questionnaire was then applied and analysed.

The candidate compared the **facts** gathered from some of the questions with the **opinions** in response to other questions, and drew some limited conclusions. 4.5

Candidate stated two outcomes regarding communication systems and indicated two business improvements that would lead to greater efficiency.

Candidates are expected to make judgements on at least two evidenced outcomes as a result of their own investigations, and must suggest more than one improvement for each. 4.7

The candidate's evaluation related to minimising staff's span of control that reduces pressure and makes work load more manageable.

From this evaluation a number of judgements were made and improvements suggested and recommended. Each of these recommendation were then justified with reasons, potential and outcomes within the context.

e.g. 4.8

First improvement – greater delegation to staff

Justification – saving of money, improved co-ordination and better motivation

Second improvement – set up weekly meetings

Justification – maintain flow of information in a formal context

Guide to acceptable format for business documents

Appendix 5

*(Assuming letter-headed paper
Letter is fully blocked with open punctuation)*

Ref SJ/MAB

24 July 2004

Ms K Singh
75 Western Avenue
Chelmsford
Essex
CM20 7AH

Dear Ms Singh

Staff Training

Further to our telephone conversation of 23 July 2004, I enclose a draft programme for the training session you will be running in the Training Centre on 15 September 2004.

Details to assist with your planning for the day are as follows:

- (a) five staff already using IT but with no network experience;
- (b) three staff with no IT experience but with keyboard skills.

Should you require further information please let me know.

Yours sincerely
ECTA ENTERPRISE

Sylvia Judds
Systems Manager

enc

A GUIDE TO ACCEPTABLE FORMAT FOR THREE BUSINESS DOCUMENTS

Candidates should be taught to use these formats for use when presenting;

a formal business letter

a memorandum

a formal report (coursework)

MEMORANDUM

To: M Carr, Caretaker
From: D Terry, Exhibition Organiser
Date: 20 July 2004
Ref: DT/PM

Software Exhibition

Could you ensure that there are enough tables and chairs available in the main hall to accommodate the 60 exhibitors. In addition, the Fire Prevention Officer has arranged to be here at 10.30 am on 23 July 2004.

Reported to:

Reported by

Date: 19 July 2004

Title: **Inspection by Fire Prevention Officer**

1 Fire and Emergency Regulations

- 1.1 All emergency procedure notices should be displayed in a prominent position in all rooms.
- 1.2 Notices and signs must not be obscuring glass doors.
- 1.3 All fire exits must be clearly marked and not obstructed.
- 1.4 Fire doors must be kept closed at all times.

2 In case of Fire

- 2.1 All employees must be aware of their allocated assembly points.
- 2.2 Employees must leave the building immediately when a fire alarm is sounded.

3 Fire Fighting Equipment

- 3.1 The alarm system must be tested weekly and checked every six months.
- 3.2 All fire extinguishers must be checked every three months.
- 3.3 Each room must have an extinguisher in a prominent and unobstructed position.

Glossary

Appendix 6

Acid test	Measures a business's ability to meet short-term debts
Batch production	Where a limited number of identical goods are made, to meet an order
Bonus	Additional payment, over and above normal wage or salary
Capital intensive	Where production depends heavily on the use of capital equipment
Chain of command	Communication of orders down the hierarchy
Commission	A financial reward which is a percentage of the sales made
Current ratio	Ratio of current assets to current liabilities
Delegation	The passing of authority to a person lower down the hierarchy
Division of labour	The breaking down of a production process so that each employee is responsible for a small part of the process
Flow production	Continuous (mass) production
Gross profit	Sales revenue (turnover) minus cost of sales
Hierarchy	The organisation of a business, split into levels of authority
Job production	The production of a single item to meet an individual order
Job specialisation	An employee becoming an expert at one job
Labour intensive	Where labour costs are a high proportion of total costs
Lean production	A technique of production which aims to minimise use of employees, machines, buildings and materials
Market orientation	A business where production decisions are driven by market research
Market segment	Breaking down a market by types of consumer
Market share	The proportion of the total market held by one business
Net profit	Gross profit minus expenses
Partnership	A business with two or more partners
Private Limited Company (Ltd)	A business whose shares cannot be sold to the public
Product orientation	A business where production decisions are driven by products
Public Limited Company (plc)	A business that can sell shares to the public
Return On Capital Employed	The profit made by a business as a percentage of the capital
Salary	An annual amount usually paid to an employee in twelve equal instalments
Sole trader	A business owned, controlled and operated by one person
Span of control	The number of employees directly controlled by one person
Stakeholder	Any person or organisation having an interest in a business
Wage	A pay rate calculated according to the number of hours worked

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