

**GCE**

**AS and A Level Specification**

# **Business Studies**

**AS exams 2009 onwards**

**A2 exams 2010 onwards**



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Vertical black lines indicate a significant change or addition to the previous version of this specification.

# 1 Introduction

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## 1.1 Why choose AQA?

It's a fact that AQA is the UK's favourite exam board and more students receive their academic qualifications from AQA than from any other board. But why does AQA continue to be so popular?

- **Specifications**

Ours are designed to the highest standards, so teachers, students and their parents can be confident that an AQA award provides an accurate measure of a student's achievements. And the assessment structures have been designed to achieve a balance between rigour, reliability and demands on candidates.

- **Support**

AQA runs the most extensive programme of support meetings; free of charge in the first years of a new specification and at a very reasonable cost thereafter. These support meetings explain the specification and suggest practical teaching strategies and approaches that really work.

- **Service**

We are committed to providing an efficient and effective service and we are at the end of the phone when you need to speak to a person about an important issue. We will always try to resolve issues the first time you contact us but, should that not be possible, we will always come back to you (by telephone, email or letter) and keep working with you to find the solution.

- **Ethics**

AQA is a registered charity. We have no shareholders to pay. We exist solely for the good of education in the UK. Any surplus income is ploughed back into educational research and our service to you, our customers. We don't profit from education, you do.

If you are an existing customer then we thank you for your support. If you are thinking of moving to AQA then we look forward to welcoming you.

## 1.2 Why choose Business Studies?

This specification has been designed to provide candidates with a critical understanding of the following:

- the internal functions of contemporary business organisations of all types
- the dynamic external environment within which businesses operate and the effects this can have upon decision-making within a business
- major topical issues that can generate change for business organisations and the ways in which businesses respond to these issues
- the range of stakeholder perspectives that can be taken on business activities.

It encourages candidates to acquire a range of important and transferable skills:

- data skills – candidates will be expected to manipulate data in a variety of forms and to interpret their results
- presenting arguments and making judgments and justified recommendations on the basis of the available evidence
- recognising the nature of problems, solving problems and making decisions using appropriate business tools and methods
- planning work, taking into account the demands of the task and the time available to complete it
- conducting research into a specific theme in preparation for one or more tasks
- challenging their own assumptions using evidence that has become available.

## The Benefits of this Specification

- It encourages the practical application of business concepts...**

by providing teachers with the opportunity to explore events in the business world as a means of reinforcing understanding of theories and concepts.
- It is intended to promote active rather than passive understanding...**

as it considers business theories and concepts within a framework that provides reasons for studying the subject.
- It focuses on the contemporary business world...**

as it has been devised to reflect contemporary issues in the business world, eg entrepreneurship, customer service and emerging markets. The A2 units also have a similar modern feel. The theme of change is central to Unit 4 and is further emphasised by the inclusion of topics such as globalisation and migration.
- It is a 'candidate-friendly' assessment package...**

as the style of assessment is designed to provide a progression in terms of knowledge and assessment objectives. The AS assessment is based upon the use of relatively brief stimulus materials. The A2 assessment relies more upon the use of case studies, requires some research and more extended written responses.

## Progression from GCSE to Higher Education

Although not an entry requirement for this specification, candidates who have studied GCSE in Business Studies will find that this specification builds on the concepts and skills that they have learnt.

AQA consulted with universities prior to the development of this new specification. The content of degree courses in business subjects varies enormously between universities and the consensus view emerging from the consultation was that the precise content of the specification was less important than providing candidates with opportunities to develop important skills such as data skills, using relevant tools to solve business problems, and research skills. The development team designed this specification with these requirements in mind.

## 1.3 How do I start using this specification?

### Already using the existing AQA Business Studies Specification?

- Register to receive further information, such as mark schemes, past question papers, details of teacher support meetings, etc, at <http://www.aqa.org.uk/rn/askaqa.php>  
Information will be available electronically or in print, for your convenience.
- Tell us that you intend to enter candidates. Then we can make sure that you receive all the material you need for the examinations. This is particularly important where examination material is issued before the final entry deadline. You can let us know by completing the appropriate Intention to Enter and Estimated Entry forms. We will send copies to your Exams Officer and they are also available on our website [http://www.aqa.org.uk/admin/p\\_entries.html](http://www.aqa.org.uk/admin/p_entries.html)

### Not using the AQA Specification currently?

- Almost all centres in England and Wales use AQA or have used AQA in the past and are approved AQA centres. A small minority are not. If your centre is new to AQA, please contact our centre approval team at [centreapproval@aqa.org.uk](mailto:centreapproval@aqa.org.uk)

## 1.4 How can I find out more?

### Ask AQA

You have 24-hour access to useful information and answers to the most commonly-asked questions at **<http://www.aqa.org.uk/rn/askaqa.php>**

If the answer to your question is not available, you can submit a query for our team. Our target response time is one day.

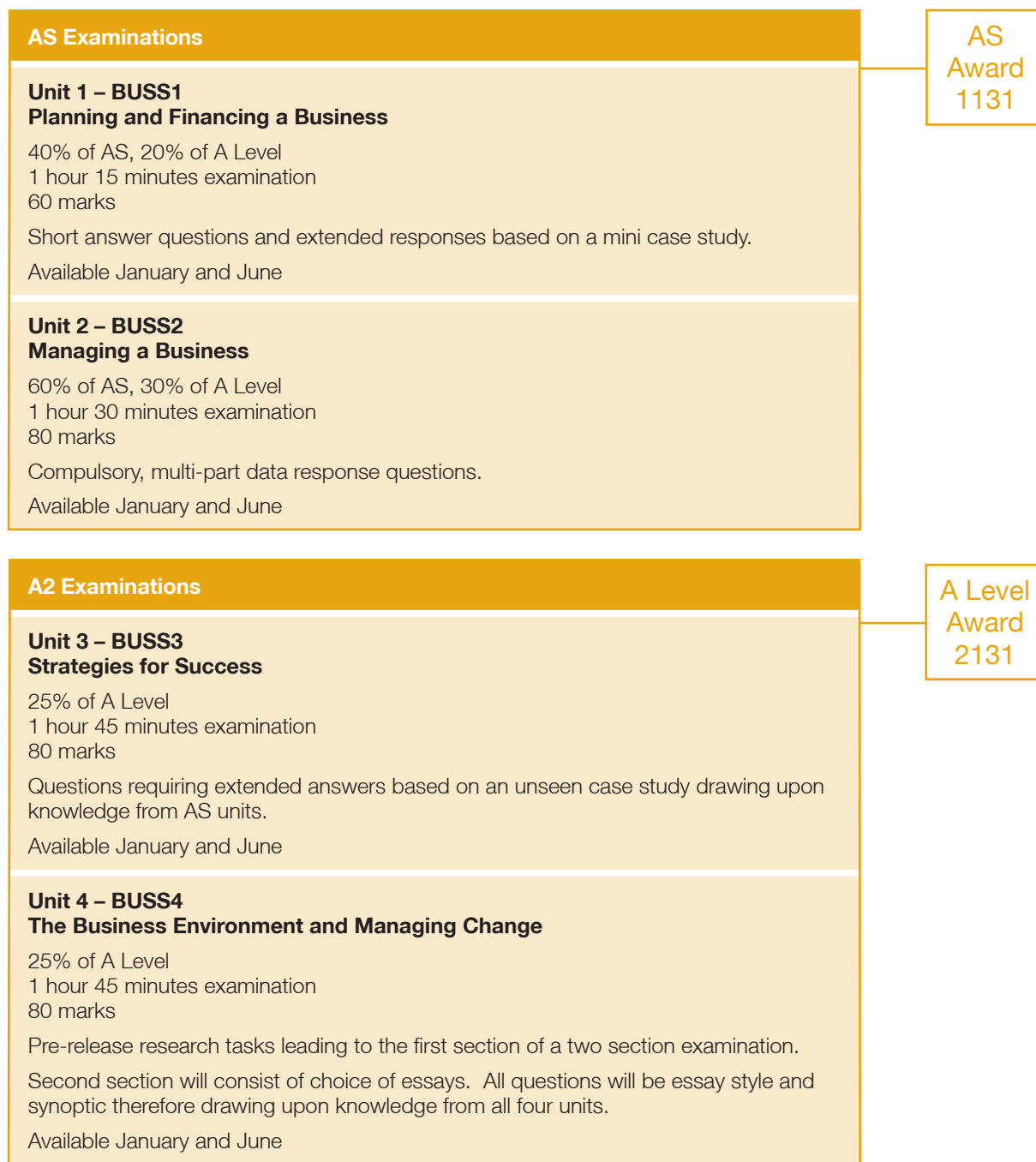
### Teacher Support

Details of the full range of current Teacher Support meetings are available on our website at **<http://www.aqa.org.uk/support/teachers.html>**

There is also a link to our fast and convenient online booking system for Teacher Support meetings at **<http://events.aqa.org.uk/ebooking>**

If you need to contact the Teacher Support team, you can call us on 01483 477860 or email us at **[teachersupport@aqaa.org.uk](mailto:teachersupport@aqaa.org.uk)**

## 2 Specification at a Glance



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$$\boxed{\text{AS}} + \boxed{\text{A2}} = \boxed{\text{A Level}}$$

# 3 Subject Content

The AS units focus on small to medium-sized businesses operating within national, as opposed to international, markets.

Unit 1 covers the issues involved in a business start-up, such as research and planning, as well as the factors that determine success.

Unit 2 focuses on how established businesses might improve their effectiveness by making tactical decisions at a functional level.

**The transferable skills underpinning these AS units include:** carrying out calculations, interpreting and analysing data, applying knowledge to unfamiliar situations, developing arguments and making judgements and decisions.

The A2 units build on the AS units by considering more complex business scenarios and focusing on strategy, as opposed to tactics.

Unit 3 focuses on larger businesses which may be trading in international markets, and how managers might measure the performance of the business. This unit considers functional strategies that larger businesses may adopt to achieve their objectives.

Unit 4 assesses the external factors that can act as catalysts for change, and considers these in relation to a range of businesses. This unit also examines the ways in which businesses can manage change successfully when responding to external stimuli. Both A2 units are synoptic.

**The transferable skills underpinning these A2 units include:** carrying out calculations, interpreting data, making and presenting arguments, making and justifying business decisions, identifying problems and proposing solutions, recognising that a problem exists, conducting research and challenging assumptions.

## 3.1 Unit 1 BUSS1 Planning and Financing a Business

In the study of this unit candidates should examine the topic areas below in relation to the two core themes: Starting a Business and Financial Planning.

Starting a Business	
SPECIFICATION	AMPLIFICATION
Enterprise <ul style="list-style-type: none"> <li>• enterprise and entrepreneurs</li> <li>• the importance of risk and rewards such as profit</li> <li>• the notion of opportunity cost</li> <li>• motives for becoming an entrepreneur</li> <li>• government support for enterprise and entrepreneurs.</li> </ul>	Candidates should consider the role, importance and characteristics of an entrepreneur in establishing a new business.  Entrepreneurship can take a number of forms including spotting a gap in the market or developing a new or innovative product or process.
Generating and Protecting Business Ideas <ul style="list-style-type: none"> <li>• sources of business ideas</li> <li>• the identification of a product or market niche</li> <li>• franchises</li> <li>• copyright, patents and trademarks.</li> </ul>	The sources of ideas may include brain-storming, own personal experience and business experience. The generation of business ideas must be in relation to a small business with limited resources.  Candidates should be familiar with the formation and operation of franchises and understand the benefits and pitfalls to franchisors or franchisees of operating a franchise as opposed to starting a new business.

<p>Transforming Resources into Goods and Services</p> <ul style="list-style-type: none"> <li>inputs, outputs and the nature of the transformation of resources into finished products</li> <li>adding value.</li> </ul>	<p>This topic should be considered within the context of the tertiary, secondary and primary industries.</p>
<p>Developing Business Plans</p> <ul style="list-style-type: none"> <li>the purpose and contents of business plans</li> <li>sources of information and guidance.</li> </ul>	<p>Candidates should be aware of the benefits and problems of plans/planning for small businesses. The planning process involves decisions based on the resources to be used and factors providing competitive advantage. The sources of information should include: small business advisors, accountants, bank managers and government agencies.</p>
<p>Conducting Start-up Market Research</p> <ul style="list-style-type: none"> <li>methods of primary and secondary market research</li> <li>qualitative and quantitative research</li> <li>size and types of samples</li> <li>factors influencing the choice of sampling methods.</li> </ul>	<p>Candidates should be aware of the relative value of different approaches to market research. Methods of sampling should include: random, quota and stratified. Candidates should be aware that the available finance, the nature of the product, the risk involved and the target market will influence the choice of sampling method and size of sample.</p>
<p>Understanding Markets</p> <ul style="list-style-type: none"> <li>the nature and types of markets</li> <li>the importance of demand</li> <li>types of market segmentation</li> <li>market size, growth and share.</li> </ul>	<p>Candidates should be aware that markets take different forms, eg local, national, physical and electronic. Candidates should know that demand is affected by a range of factors including the price of the product, competitor actions, consumer incomes, success of businesses' marketing and seasonal factors. Candidates should be aware of the benefits and drawbacks of types of segmentation. Candidates should be able to calculate market size, growth and share.</p>
<p>Choosing the Right Legal Structure for the Business</p> <ul style="list-style-type: none"> <li>sole traders, partnerships, private limited companies and public limited companies</li> <li>not-for-profit businesses.</li> </ul>	<p>Candidates should be aware of the benefits and drawbacks of legal structures and understand plc's as a means of comparison.</p>
<p>Raising Finance</p> <ul style="list-style-type: none"> <li>sources of finance available to start businesses.</li> </ul>	<p>Sources of finance should include: ordinary share capital, loan capital (bank loans, overdrafts only), venture capital and personal sources. Candidates should be aware of the advantages and disadvantages of these in specific contexts.</p>
<p>Locating the Business</p> <ul style="list-style-type: none"> <li>factors influencing start-up location decisions.</li> </ul>	<p>The factors should include: technology, costs, infrastructure, the market and qualitative factors. Candidates should understand that their relative importance may vary according to the type of business.</p>



<p>Employing People</p> <ul style="list-style-type: none"> <li>types of employees used in small businesses</li> <li>using consultants and advisors.</li> </ul>	<p>The types of employees should include: temporary, permanent, full-time and part-time. Candidates should be aware of the reasons, drawbacks and difficulties of employing people and/or using consultants and advisors.</p>
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### Financial Planning

This section provides candidates with an understanding of key financial concepts essential for the planning of small businesses. Candidates will be expected to carry out calculations and to be able to interpret their results.

SPECIFICATION	AMPLIFICATION
<p>Calculating Costs, Revenues and Profits</p> <ul style="list-style-type: none"> <li>fixed, variable and total costs</li> <li>price, total revenue and profit.</li> </ul>	<p>Candidates should understand the relationships between cost, price, revenue and profits.</p>
<p>Using Break-Even Analysis to Make Decisions</p> <ul style="list-style-type: none"> <li>contribution and contribution per unit</li> <li>calculation of break-even output</li> <li>construction of break-even charts</li> <li>analysing the effects of changing variables on break-even charts.</li> </ul>	<p>Candidates should understand how start-up businesses may use contribution and break-even to analyse the impact of different costs and prices, and make decisions on whether to start the business.</p> <p>Candidates should be aware of the strengths and weaknesses of break-even analysis.</p>
<p>Using Cash Flow Forecasting</p> <ul style="list-style-type: none"> <li>the nature of cash flow</li> <li>how to forecast cash flow</li> <li>the structure of a cash flow forecast</li> <li>why businesses forecast cash flow.</li> </ul>	<p>Candidates should understand the sources of information for cash flow forecasts and understand the significance of the forecasts.</p> <p>Candidates should be able to amend or complete a cash flow forecast.</p>
<p>Setting Budgets</p> <ul style="list-style-type: none"> <li>income, expenditure and profit budgets</li> <li>the process of setting budgets</li> <li>problems in setting budgets.</li> </ul>	<p>Candidates should be aware of the reasons for setting budgets and the problems in so doing.</p> <p>Candidates should be able to amend or complete a budget.</p>
<p>Assessing Business Start-ups</p> <ul style="list-style-type: none"> <li>objectives of business start-ups</li> <li>strengths and weaknesses of a business idea and/or plan</li> <li>why start-ups can be risky</li> <li>why start-up businesses may fail.</li> </ul>	<p>Candidates should be aware that objectives for start-ups may vary and that determinants of success and failure depend upon the circumstances.</p> <p>Causes of failure should include: unexpected changes in demand or costs, unavailability of supplies and delays.</p>

## 3.2 Unit 2 BUSS2 Managing a Business

In the study of this unit, candidates should examine the topic areas below in relation to the core theme of improving the effectiveness of a business. Candidates should be able to calculate and be able to interpret data measuring the effectiveness of the business. These measurements should include: profitability, labour productivity, labour turnover, unit costs and market share.

<b>Finance</b>	
<p>This section introduces candidates to the importance of the management of finance. Candidates should understand that financial measures can be used to indicate how well a business is managed and should understand actions that can be taken to improve financial performance. Candidates will be expected to carry out calculations and to be able to interpret their results. This section builds upon 'Financial Planning' in Unit One.</p>	
<b>SPECIFICATION</b>	<b>AMPLIFICATION</b>
<p>Using Budgets</p> <ul style="list-style-type: none"> <li>the benefits and drawbacks of using budgets</li> <li>the calculation and interpretation of favourable and adverse variances</li> <li>using variance analysis to inform decision-making.</li> </ul>	<p>Candidates should be familiar with income, expenditure and profit budgets. They will not be required to analyse budgets by price and volume, nor to use flexible budgets.</p>
<p>Improving Cash Flow</p> <ul style="list-style-type: none"> <li>causes of cash flow problems</li> <li>methods of improving cash flow.</li> </ul>	<p>Candidates should be familiar with a range of techniques to improve cash flow including: overdrafts and short-term loans, factoring and sale or sale and leaseback of assets.</p>
<p>Measuring and Increasing Profit</p> <ul style="list-style-type: none"> <li>the calculation and understanding of net profit margins</li> <li>the calculation and understanding of return on capital</li> <li>methods of improving profits/profitability</li> <li>the distinction between cash and profit.</li> </ul>	<p>Candidates do not need any understanding of the balance sheet or income statements.</p> <p>Candidates do not need any knowledge of capital employed. Return on capital relates to the percentage return on a capital investment.</p> <p>Methods of improving profits should include cost reduction and price rises but also an understanding of the possible implications of these decisions.</p>

<b>People in Business</b>	
<p>This section considers the issues that managers face in relation to managing the human element to make a business more effective. Candidates should appreciate the value of these techniques in tactical decision-making.</p>	
<b>SPECIFICATION</b>	<b>AMPLIFICATION</b>
<p>Improving Organisational Structures</p> <ul style="list-style-type: none"> <li>key elements of organisational structure</li> <li>workforce roles</li> <li>how organisational structure affects business performance.</li> </ul>	<p>Key elements should include:</p> <ul style="list-style-type: none"> <li>levels of hierarchy/spans of control</li> <li>work loads/job allocation</li> <li>delegation</li> <li>communication flows.</li> </ul> <p>The workforce roles include: supervisor, team leader, manager and director.</p>

<p>Measuring the Effectiveness of the Workforce</p> <ul style="list-style-type: none"> <li>• methods of measuring workforce performance.</li> </ul>	<p>Candidates should be able to calculate and interpret measures such as labour productivity and labour turnover.</p>
<p>Developing an Effective Workforce: Recruitment, Selection, Training</p> <ul style="list-style-type: none"> <li>• the recruitment process</li> <li>• internal and external recruitment</li> <li>• selecting the best employees</li> <li>• how recruitment and selection can improve a workforce</li> <li>• methods of training.</li> </ul>	<p>Types of recruitment and the recruitment process should include the stages from identifying a vacancy to receipt of applications.</p> <p>Candidates should understand benefits and drawbacks of internal and external recruitment and training.</p> <p>Methods of selection include: interviews, assessment centres, and tests. Candidates should also be familiar with person specifications and job descriptions.</p> <p>Methods of training should include: on-the-job, off-the-job and induction.</p>
<p>Developing and Retaining an Effective Workforce: Motivating Employees</p> <ul style="list-style-type: none"> <li>• using financial methods to motivate employees</li> <li>• improving job design</li> <li>• empowering employees</li> <li>• working in teams</li> <li>• theories of motivation.</li> </ul>	<p>Specific theories of motivation will not be examined. Candidates should use any relevant theories to support their arguments to consider influences on motivation.</p> <p>Methods of improving job design should include: enrichment and enlargement.</p> <p>Candidates should understand the links between the organisational structure and the motivational techniques available to managers.</p>

### Operations Management

This section should promote understanding of the importance of operational decisions in managing a business in tertiary, secondary and primary sectors. Candidates should understand how operations management can help a business to be more effective, and the role that can be played in this by technology.

SPECIFICATION	AMPLIFICATION
<p>Making Operational Decisions</p> <ul style="list-style-type: none"> <li>• operational targets</li> <li>• calculating and managing capacity utilisation</li> <li>• operational issues dealing with non-standard orders and matching production and demand.</li> </ul>	<p>Operational targets relate to unit costs, quality and capacity utilisation. Candidates should be able to calculate and interpret unit costs.</p> <p>Managing output to match orders should include: use of overtime, hiring temporary and part-time staff, rationalisation and sub-contracting and the importance of managing stocks efficiently.</p>
<p>Developing Effective Operations: Quality</p> <ul style="list-style-type: none"> <li>• the meaning of quality</li> <li>• the distinction between quality control and quality assurance</li> <li>• systems of quality assurance</li> <li>• quality standards.</li> </ul>	<p>Systems of quality should include Total Quality Management (TQM).</p> <p>Candidates should be aware of the issues involved and the possible benefits of introducing and managing quality systems and/or achieving quality standards.</p> <p>Issues in introducing and managing quality include costs and other implications of training and the possibility of disruption to production.</p> <p>The importance of quality might be judged through its impact on sales, its possible use as a Unique Selling Point (USP), the flexibility it can give in pricing decisions and costs.</p>

<p>Developing Effective Operations: Customer Service</p> <ul style="list-style-type: none"> <li>• methods of meeting customer expectations</li> <li>• monitoring and improving customer service</li> <li>• the benefits of high levels of customer service.</li> </ul>	<p>Methods of meeting customer expectations should include: market research, training, use of quality assurance and control, quality standards.</p> <p>Candidates should understand the ways in which a range of different businesses use customer service to improve their performance.</p>
<p>Working with Suppliers</p> <ul style="list-style-type: none"> <li>• choosing effective suppliers</li> <li>• the role that suppliers play in improving operational performance.</li> </ul>	<p>Factors affecting choice of and relationship with suppliers should include: prices, payment terms, quality, capacity, reliability and flexibility.</p>
<p>Using Technology in Operations</p> <ul style="list-style-type: none"> <li>• types of technology in operations management</li> <li>• issues in introducing and updating technology.</li> </ul>	<p>Types of technology should include: robotics, automation such as stock control, communications and design technology.</p> <p>Candidates should be aware of the benefits of technology such as: reducing costs, improving quality, reducing waste and increasing productivity.</p>

### Marketing and the Competitive Environment

In this section candidates should understand the importance of marketing to businesses and issues affecting their competitiveness. The study of marketing at AS Level should focus on using the results of market research and developing an appropriate and integrated marketing mix. Consideration should be given to how information technology might be used to assist marketing.

SPECIFICATION	AMPLIFICATION
<p>Effective Marketing</p> <ul style="list-style-type: none"> <li>• the purpose of marketing</li> <li>• niche and mass marketing.</li> </ul>	<p>Candidates should be aware of the benefits and drawbacks of niche and mass marketing.</p> <p>Candidates should be aware of consumer marketing and business to business marketing.</p>
<p>Designing an Effective Marketing Mix</p> <ul style="list-style-type: none"> <li>• influences on the marketing mix</li> <li>• the importance of an integrated marketing mix.</li> </ul>	<p>The influences on the marketing mix may be wide ranging encompassing, finance, technology and market research.</p>
<p>Using the Marketing Mix: Product</p> <ul style="list-style-type: none"> <li>• influences on the development of new goods and services</li> <li>• unique selling points (or propositions)</li> <li>• product portfolio analysis</li> <li>• product life cycle.</li> </ul>	<p>Influences on the development of new goods and services include: technology, competitors' actions and the entrepreneurial skills of managers and owners.</p> <p>Product portfolio analysis should include the Boston Matrix.</p>
<p>Using the Marketing Mix: Promotion</p> <ul style="list-style-type: none"> <li>• elements of the promotional mix</li> <li>• influences on the choice of promotional mix.</li> </ul>	<p>The promotional mix includes factors such as: PR, branding, merchandising, sales promotions, direct selling and advertising.</p>

<p>Using the Marketing Mix: Pricing</p> <ul style="list-style-type: none"> <li>pricing strategies</li> <li>pricing tactics</li> <li>influences on pricing decisions.</li> </ul>	<p>Pricing strategies should include: price skimming and penetration, price leaders and price takers.</p> <p>Pricing tactics should include: loss leaders and psychological pricing.</p> <p>Influences on pricing decisions should include the price elasticity of demand. Candidates must understand the significance, determinants and the problems of measurement of price elasticity. Candidates should be able to use the price elasticity coefficient to show the effects of price changes on total revenue. However, candidates will not be required to calculate the coefficient of price elasticity.</p>
<p>Using the Marketing Mix: Place</p> <ul style="list-style-type: none"> <li>choosing appropriate outlets/distributors</li> <li>types of distribution channels.</li> </ul>	
<p>Marketing and Competitiveness</p> <ul style="list-style-type: none"> <li>the possible impacts of market conditions and degree of competition</li> <li>determinants of competitiveness</li> <li>methods of improving competitiveness.</li> </ul>	<p>Candidates should be aware of a range of markets with differing numbers of businesses and degrees of competition such as one dominant business or many smaller businesses. They should consider how this impacts on the design of the marketing mix.</p> <p>Methods of improving competitiveness include marketing and non-marketing methods such as reducing costs, improving quality and staff training.</p>

### 3.3 Unit 3 BUSS3 Strategies for Success

In the study of this unit candidates should examine the topic areas below in relation to the core themes of setting objectives, measuring performance and devising strategy. The assessment for this unit will draw upon AS material which candidates should use to respond to A2 questions.

<p><b>Functional Objectives and Strategies</b></p> <p>This section introduces candidates to functional objectives and strategies, and examines their appropriateness in the context of corporate objectives.</p>	
<p style="text-align: center;"><b>SPECIFICATION</b></p>	<p style="text-align: center;"><b>AMPLIFICATION</b></p>
<p>Using Objectives and Strategies</p> <ul style="list-style-type: none"> <li>functional objectives and their relationship with corporate objectives</li> <li>the relationship between functional objectives and strategies.</li> </ul>	<p>Candidates should understand a range of functional objectives that businesses might pursue (eg minimising costs, gaining market share) and how these contribute to the achievement of corporate objectives.</p>

## Financial Strategies and Accounts

This section examines the financial objectives of larger businesses, the ways in which financial performance might be measured and the strategies they may deploy. It builds upon AS Finance material. The new International Financial Reporting Standards will be used where applicable. Old terminology will be in brackets.

SPECIFICATION	AMPLIFICATION
<p>Understanding Financial Objectives</p> <ul style="list-style-type: none"> <li>• financial objectives</li> <li>• assessing internal and external influences on financial objectives.</li> </ul>	<p>Financial objectives should include: cash flow targets, cost minimisation, ROCE targets and shareholders' returns.</p>
<p>Using Financial Data to Measure and Assess Performance</p> <ul style="list-style-type: none"> <li>• analysing balance sheets</li> <li>• analysing income statements</li> <li>• using financial data for comparisons, trend analysis and decision making</li> <li>• assessing strengths and weaknesses of financial data in judging performance.</li> </ul>	<p>Analysing financial data should focus on assessing performance and potential. Candidates should understand the importance of working capital, depreciation, profit utilisation and profit quality. No construction of accounts or calculation of depreciation will be required.</p>
<p>Interpreting Published Accounts</p> <ul style="list-style-type: none"> <li>• conducting ratio analysis: the selection, calculation and interpretation of ratios to measure financial performance</li> <li>• assessing the value and limitations of ratio analysis in measuring a business's performance.</li> </ul>	<p>Candidates should understand the following ratios: liquidity (current and acid test ratios), profitability (ROCE), financial efficiency (asset turnover, inventory [stock] turnover, payables [creditor] and receivables [debtor] days), gearing and shareholder ratios (dividend per share and dividend yield).</p> <p>Candidates will be given a table of relevant formulae for ratios as part of the examination paper where appropriate.</p>
<p>Selecting Financial Strategies</p> <ul style="list-style-type: none"> <li>• raising finance</li> <li>• implementing profit centres</li> <li>• cost minimisation</li> <li>• allocating capital expenditure.</li> </ul>	<p>Candidates should understand how these strategies interrelate with other functions and be able to assess their value in given circumstances.</p>
<p>Making Investment Decisions</p> <ul style="list-style-type: none"> <li>• conducting investment appraisal: selection of appropriate methods, calculation and interpretation of findings</li> <li>• investment criteria</li> <li>• assessing the risks and uncertainties of investment decisions</li> <li>• evaluating quantitative and qualitative influences on investment decisions.</li> </ul>	<p>Candidates should understand the reasons why businesses invest and the ways in which investment can help businesses to reach functional objectives.</p> <p>Quantitative measures of investment should include: payback, average rate of return, and net present value.</p>

## Marketing Strategies

This section considers the development of marketing strategies for larger businesses through a scientific approach to decision making. It builds upon AS Marketing materials.

SPECIFICATION	AMPLIFICATION
<p>Understanding Marketing Objectives</p> <ul style="list-style-type: none"> <li>marketing objectives</li> <li>assessing internal and external influences on marketing objectives.</li> </ul>	<p>Internal influences on marketing should include finance, HR, operational issues and corporate objectives. External influences should include: competitors' actions, market factors and technological change.</p>
<p>Analysing Markets and Marketing</p> <ul style="list-style-type: none"> <li>reasons for, and the value of, market analysis</li> <li>methods of analysing trends</li> <li>the use of information technology in analysing markets</li> <li>difficulties in analysing marketing data.</li> </ul>	<p>Reasons for analysing markets should include: gathering evidence for devising a new strategy, identifying significant patterns in sales.</p> <p>Candidates should be familiar with moving averages, test markets and extrapolation as methods of measuring and forecasting sales. Candidates should understand how correlation can be used in analysing markets.</p>
<p>Selecting Marketing Strategies</p> <ul style="list-style-type: none"> <li>low cost versus differentiation</li> <li>market penetration</li> <li>product development and market development strategies</li> <li>diversification</li> <li>assessing effectiveness of marketing strategies.</li> </ul>	<p>Ansoff's matrix should be used to assess marketing strategies in a national and an international context. Marketing strategies should consider the methods, risks and benefits involved in entering international markets.</p>
<p>Developing and Implementing Marketing Plans</p> <ul style="list-style-type: none"> <li>components of marketing plans</li> <li>assessing internal and external influences on marketing plans</li> <li>issues in implementing marketing plans.</li> </ul>	<p>Components of marketing plans include: objectives, budgets and sales forecasts and marketing strategies.</p> <p>Influences on the marketing plan might include: finance available, operational issues and competitors' actions.</p>

## Operational Strategies

This section considers the operational objectives and strategies that a business may use to achieve success in its particular market. It builds upon AS Operations materials.

SPECIFICATION	AMPLIFICATION
<p>Understanding Operational Objectives</p> <ul style="list-style-type: none"> <li>• operational objectives</li> <li>• assessing internal and external influences on operational objectives.</li> </ul>	<p>Operational objectives should include: meeting quality, cost and volume targets, innovation, efficiency (including time) and environmental targets.</p> <p>Influences on operational objectives might include: competitors' performance, resources available, the nature of the product and demand.</p>
<p>Operational Strategies: Scale and Resource Mix</p> <ul style="list-style-type: none"> <li>• choosing the right scale of production: economies and diseconomies of scale</li> <li>• choosing the optimal mix of resources: capital and labour intensity.</li> </ul>	<p>Candidates should be aware of a range of economies of scale including: purchasing, technical and specialisation. Diseconomies of scale include communication and co-ordination.</p> <p>Candidates should understand the benefits and drawbacks of capital and labour intensive strategies.</p>
<p>Operational Strategies: Innovation</p> <ul style="list-style-type: none"> <li>• innovation, research and development</li> <li>• purpose, costs, benefits and risks of innovation.</li> </ul>	<p>Candidates should be aware that a strategy of innovation has implications for finance, marketing and human resources.</p>
<p>Operational Strategies: Location</p> <ul style="list-style-type: none"> <li>• methods of making location decisions</li> <li>• benefits of optimal location</li> <li>• the advantages and disadvantages of multi-site locations</li> <li>• issues relating to international location.</li> </ul>	<p>The focus should be on expansion and/or relocation (including off-shoring).</p> <p>Methods of deciding on location should take into account quantitative (investment appraisal, for example) and qualitative factors.</p> <p>Reasons for international location include: global markets, cost reduction and avoidance of trade barriers.</p>
<p>Operational Strategies: Lean Production</p> <ul style="list-style-type: none"> <li>• the effective management of time</li> <li>• assessing the value of critical path analysis</li> <li>• the effective management of other resources through methods of lean production.</li> </ul>	<p>Candidates should be able to interpret and complete critical path networks by entering ESTs and LFTs and understand the significance of critical and non-critical activities.</p> <p>Candidates should be aware of lean production techniques, including just-in-time production and kaizen.</p>



## Human Resource Strategies

This section considers the strategies available to businesses in managing their human resources. It builds upon AS Human Resources materials.

SPECIFICATION	AMPLIFICATION
<p>Understanding HR Objectives and Strategies</p> <ul style="list-style-type: none"> <li>• HR objectives</li> <li>• assessing internal and external influences on HR objectives</li> <li>• HR strategies.</li> </ul>	<p>HR objectives might include: matching workforce skills, size and location to business needs, minimising labour cost, making full use of the workforce's potential and maintaining good employer/employee relations. Candidates should be aware of 'hard' and 'soft' strategies to HR and the strengths and weaknesses of each.</p>
<p>Developing and Implementing Workforce Plans</p> <ul style="list-style-type: none"> <li>• components of workforce plans</li> <li>• assessing internal and external influences on workforce plans</li> <li>• issues in implementing workforce plans</li> <li>• the value of using workforce plans.</li> </ul>	<p>Candidates should be aware of the influences on workforce planning, including other functional decisions, eg innovation may require greater diversity, legislation and labour market trends including migration.</p> <p>Issues involved in implementing workforce plans might include: employer/employee relations, cost, corporate image and training. Candidates should recognise that these issues can have positive and negative effects.</p>
<p>Competitive Organisational Structures</p> <ul style="list-style-type: none"> <li>• factors determining choice of organisational structures</li> <li>• adapting organisational structures to improve competitiveness.</li> </ul>	<p>Methods of adapting organisational structures to improve competitiveness should include: centralisation and decentralisation, delayering and flexible workforces. Candidates should be aware of the issues involved with implementing and operating each of these approaches.</p> <p>Flexible workforces should include the notion of core and peripheral workers, outsourcing and home working.</p>
<p>Effective Employer/Employee Relations</p> <ul style="list-style-type: none"> <li>• managing communications with employees</li> <li>• methods of employee representation</li> <li>• methods of avoiding and resolving industrial disputes.</li> </ul>	<p>Candidates should understand the importance of communication in employer/employee relations. Candidates should know the advantages and disadvantages of employee representation. Methods of employee representation might include: works councils, employee groups as well as trade unions.</p>

## 3.4 Unit 4 BUSS4 The Business Environment and Managing Change

This unit is designed to be synoptic and draws upon all other units of the specification including the AS units. It considers the relationship between businesses and external factors. It examines how external factors can impact upon businesses, and the responses they may take. The unit also examines a number of themes which are important in the strategic management of businesses, for example, leadership and corporate culture. Candidates should consider how businesses can manage change successfully.

This unit should be studied through a variety of real business contexts to allow candidates to understand how the impact and response to change varies.

### Corporate Aims and Objectives

This section considers what the organisation is attempting to achieve, and how this helps to determine its strategies.

SPECIFICATION	AMPLIFICATION
Understanding Mission, Aims and Objectives <ul style="list-style-type: none"> <li>• mission statements</li> <li>• corporate aims and objectives</li> <li>• corporate strategies</li> <li>• differing stakeholder perspectives.</li> </ul>	Candidates should understand the purpose and nature of corporate strategies and their relationship with aims and objectives.  They should understand differing stakeholder perspectives and the potential for conflict and the pressure that stakeholders may bring to decision making.

### Assessing Changes in the Business Environment

This section examines the relationships between organisations and their external environment. Candidates should understand the opportunities and threats created by changes in the contemporary business environment. The importance of acquiring and managing information and of communicating effectively should be considered throughout.

SPECIFICATION	AMPLIFICATION
The Relationship between Businesses and the Economic Environment <ul style="list-style-type: none"> <li>• assessing the effects of the following factors on business organisations:               <ul style="list-style-type: none"> <li>– impact of economic factors</li> <li>– trends in key economic variables</li> <li>– globalisation of markets</li> <li>– developments in emerging markets</li> </ul> </li> <li>• evaluating the strategies businesses might deploy in response to these changes.</li> </ul>	Knowledge of the determinants of macroeconomic factors is not required.  Candidates should be familiar with the following economic factors: the business cycle, interest rates, exchange rates, inflation, unemployment and economic growth.

<p>The Relationship between Businesses and the Political and Legal Environment</p> <ul style="list-style-type: none"> <li>• assessing the effects of: <ul style="list-style-type: none"> <li>– government intervention in the economy</li> <li>– government economic policies</li> <li>– political decisions affecting trade and access to markets</li> <li>– the impact of legislation relating to businesses</li> </ul> </li> <li>• evaluating responses of businesses to a changing political and legal environment.</li> </ul>	<p>Consideration might be given to the provision of products by the government, government regulation and legislation and other forms of intervention such as tax and subsidy. Monetary, fiscal policy and supply side policies should also be considered.</p> <p>Political decisions should include issues such as: the enlargement of the European Union and moves towards greater freedom of trade.</p> <p>Legislation affecting businesses should include: employment law, consumer protection, environmental protection and health and safety legislation on businesses. A broad understanding of scope and impact is all that is required.</p>
<p>The Relationship between Businesses and the Social Environment</p> <ul style="list-style-type: none"> <li>• assessing the effects of: <ul style="list-style-type: none"> <li>– changes in the social environment</li> <li>– the changing nature of the ethical environment</li> </ul> </li> <li>• evaluating responses of businesses to a changing social environment including corporate social responsibility.</li> </ul>	<p>Changes in the social environment might include demographic factors and environmental issues.</p> <p>Candidates should be aware of the actions that businesses can take to demonstrate corporate social responsibility and consider whether these reflect genuine values or are just a form of public relations.</p>
<p>The Relationship between Businesses and the Technological Environment</p> <ul style="list-style-type: none"> <li>• assessing the effects of technological change</li> <li>• evaluating the response of businesses to technological change.</li> </ul>	<p>The impact of technological change should be considered in terms of a range of issues including: marketing opportunities, the culture of the business and the processes and systems used within the business.</p>
<p>The Relationship between Businesses and the Competitive Environment</p> <ul style="list-style-type: none"> <li>• assessing the effects of changes in competitive structure</li> <li>• evaluating responses of businesses to a changing competitive environment.</li> </ul>	<p>Changes in the competitive structure might include: new competitors, dominant businesses (eg through takeover or merger), changes in the buying power of customers and/or changes in the selling power of suppliers.</p>

## Managing Change

Organisations operate in a changing environment and change creates opportunities and threats. Candidates should understand how businesses plan for and manage change, and how external and internal change is linked.

SPECIFICATION	AMPLIFICATION
<p>Internal Causes of Change</p> <ul style="list-style-type: none"> <li>• change in organisational size</li> <li>• new owners/leaders</li> <li>• poor business performance.</li> </ul>	<p>Changes in organisation size may come about due to mergers, takeovers, organic growth and retrenchment.</p>
<p>Planning for Change</p> <ul style="list-style-type: none"> <li>• purpose of corporate plans</li> <li>• assessing internal and external influences on corporate plans</li> <li>• assessing the value of corporate plans.</li> </ul>	<p>Corporate planning should include contingency planning.</p>
<p>Key Influences on the Change Process: Leadership</p> <ul style="list-style-type: none"> <li>• the meaning of leadership</li> <li>• the range of leadership styles</li> <li>• assessing internal and external factors influencing leadership style</li> <li>• the role of leadership in managing change</li> <li>• assessing the importance of leadership.</li> </ul>	<p>Candidates should consider the difference between the roles of leaders and managers.</p>
<p>Key Influences on the Change Process: Culture</p> <ul style="list-style-type: none"> <li>• types of organisational culture</li> <li>• reasons for and problems of changing organisational culture</li> <li>• assessing the importance of organisational culture.</li> </ul>	<p>Types of organisational culture might include: power, entrepreneurial and task.</p>
<p>Making Strategic Decisions</p> <ul style="list-style-type: none"> <li>• the significance of information management</li> <li>• the value of different approaches to decision-making</li> <li>• assessing influences on corporate decision-making.</li> </ul>	<p>Influences on corporate decision-making include ethical position (real or perceived), resources available and relative power of stakeholders.</p> <p>The range of management approaches to decision-making from scientific to intuition.</p>
<p>Implementing and Managing Change</p> <ul style="list-style-type: none"> <li>• techniques to implement and manage change successfully</li> <li>• assessing the factors that promote and resist change.</li> </ul>	<p>Techniques to implement and manage change might include: project champions, project groups. Factors that promote and resist change might include: clear objectives, resources and training.</p>

# 4 Scheme of Assessment

## 4.1 Aims

AS and A Level courses based on the Business Studies specification should encourage candidates to:

- develop a critical understanding of organisations, the markets they serve and the process of adding value. This should involve consideration of the internal workings and management of organisations and, in particular, the process of decision-making in a dynamic external environment
- be aware that business behaviour can be studied from the perspectives of a range of stakeholders including customers, managers, creditors, owners/shareholders and employees. In addition, candidates should be aware of the economic, environmental, ethical, governmental, legal, social and technological issues associated with business activity. Candidates should understand that Business Studies draws on a variety of disciplines and that these perspectives and disciplines are interrelated
- acquire a range of skills, including decision-making and problem solving in the light of evaluation and, where appropriate, the quantification and management of information
- be aware of the current structure of business and business practice, as reflected in events and issues affecting organisations in different sectors and environments, recognising that they face varying degrees of competition. These organisations include: large and small, manufacturing and service, local, regional, national and multinational, profit-making and non profit-making.

## 4.2 Assessment Objectives (AOs)

The Assessment Objectives are common to AS and A Level. The assessment units will assess the following Assessment Objectives in the context of the content and skills set out in Section 3, Subject Content.

- AO1 Demonstrate knowledge and understanding of the specified content.
- AO2 Apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations.
- AO3 Analyse problems, issues and situations.
- AO4 Evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.

### Quality of Written Communication (QWC)

In GCE specifications which require candidates to produce written material in English, candidates must:

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

In this specification QWC will be assessed in all units by embedding QWC in Assessment Objective 4.

## Weighting of Assessment Objectives for AS

The table below shows the approximate weighting of each of the Assessment Objectives in the AS units.

Assessment Objectives	Unit Weightings (%)		Overall Weighting of AOs (%)
	Unit 1	Unit 2	
AO1	14	16	30
AO2	11	14	25
AO3	8	17	25
AO4	7	13	20
Overall weighting of units (%)	40	60	100

## Weighting of Assessment Objectives for A Level

The table below shows the approximate weighting of each of the Assessment Objectives in the AS and A2 units.

Assessment Objectives	Unit Weightings (%)				Overall Weighting of AOs (%)
	Unit 1	Unit 2	Unit 3	Unit 4	
AO1	7	8	5	5	25
AO2	5.5	7	7.5	5	25
AO3	4	8.5	6.25	6.25	25
AO4	3.5	6.5	6.25	8.75	25
Overall weighting of units (%)	20	30	25	25	100

4

## 4.3 National Criteria

This specification complies with the following.

- The Subject Criteria for Business Studies.
- The Code of Practice for GCE.
- The GCE AS and A Level Qualification Criteria.
- The Arrangements for the Statutory Regulation of External Qualifications in England, Wales and Northern Ireland: Common Criteria.

## 4.4 Prior Learning

There are no prior learning requirements.

We recommend that candidates should have acquired the skills and knowledge associated with a GCSE course or equivalent.

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## 4.5 Synoptic Assessment and Stretch and Challenge

Synoptic assessment in this specification is assessed in the A2 units by drawing on topics from all the other units.

The requirement that Stretch and Challenge is included at A2 is met by the award of an A\*. To be awarded an A\* candidates will need to achieve a grade A on the full A Level qualification and an A\* on the aggregate of the A2 units.

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## 4.6 Access to Assessment for Disabled Students

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

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

Reasonable adjustments are made for disabled candidates in order to enable them to access the assessments. For this reason, very few candidates will have a complete barrier to any part of the assessment.

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

# 5 Administration

## 5.1 Availability of Assessment Units and Certification

Examinations and certification for this specification are available as follows:

	Availability of units		Availability of certification	
	AS	A2	AS	A Level
January 2009	✓			
June 2009	✓		✓	
January 2010	✓	✓	✓	
June 2010	✓	✓	✓	✓
January 2011 onwards	✓	✓	✓	✓
June 2011 onwards	✓	✓	✓	✓

## 5.2 Entries

Please refer to the current version of Entry Procedures and Codes for up to date entry procedures. You should use the following entry codes for the units and for certification.

Unit 1 - BUSS1 Planning and Financing a Business

Unit 2 - BUSS2 Managing a Business

Unit 3 - BUSS3 Strategies for Success

Unit 4 - BUSS4 The Business Environment and Managing Change

AS certification - 1131

A Level certification - 2131

## 5.3 Private Candidates

This specification is available to private candidates. Private candidates should write to AQA for a copy of 'Supplementary Guidance for Private Candidates'.



## 5.4 Access Arrangements and Special Consideration

We have taken note of equality and discrimination legislation and the interests of minority groups in developing and administering this specification.

We follow the guidelines in the Joint Council for Qualifications (JCQ) document: *Access Arrangements, Reasonable Adjustments and Special Consideration: General and Vocational Qualifications*. This is published on the JCQ website (<http://www.jcq.org.uk>) or you can follow the link from our website (<http://www.aqa.org.uk>).

### Access Arrangements

We can make arrangements so that candidates with disabilities can access the assessment. These arrangements must be made **before** the examination. For example, we can produce a Braille paper for a candidate with a visual impairment.

### Special Consideration

We can give special consideration to candidates who have had a temporary illness, injury or indisposition at the time of the examination. Where we do this, it is given **after** the examination.

Applications for access arrangements and special consideration should be submitted to AQA by the Examinations Officer at the centre.

## 5.5 Language of Examinations

We will provide units in English only.

## 5.6 Qualification Titles

Qualifications based on this specification are:

- AQA Advanced Subsidiary GCE in Business Studies and
- AQA Advanced Level GCE in Business Studies.

## 5.7 Awarding Grades and Reporting Results

The AS qualification will be graded on a five-point scale: A, B, C, D and E. The full A Level qualification will be graded on a six-point scale: A\*, A, B, C, D and E. To be awarded an A\*, candidates will need to achieve a grade A on the full A Level qualification and an A\* on the aggregate of the A2 units.

For AS and A Level, candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate. Individual assessment unit results will be certificated.

## 5.8 Re-sits and Shelf-life of Unit Results

Unit results remain available to count towards certification, whether or not they have already been used, as long as the specification is still valid.

Candidates may re-sit a unit any number of times within the shelf-life of the specification. The best result for each unit will count towards the final qualification. Candidates who wish to repeat a

qualification may do so by re-taking one or more units. The appropriate subject award entry, as well as the unit entry/entries, must be submitted in order to be awarded a new subject grade.

Candidates will be graded on the basis of the work submitted for assessment.

# Appendices

## A Performance Descriptions

These performance descriptions show the level of attainment characteristic of the grade boundaries at A Level. They give a general indication of the required learning outcomes at the A/B and E/U boundaries at AS and A2. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define that content.

The grade awarded will depend in practice upon the extent to which the candidate has met the Assessment Objectives (see Section 4) overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

## AS Performance Descriptions – Business Studies

	<b>Assessment Objective 1</b>	<b>Assessment Objective 2</b>	<b>Assessment Objective 3</b>	<b>Assessment Objective 4</b>
<b>Assessment</b>	Candidates should be able to demonstrate knowledge and understanding of the specified content.	Candidates should be able to apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations.	Candidates should be able to analyse problems, issues and situations.	Candidates should be able to evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.
<b>A/B boundary performance descriptions</b>	Candidates characteristically: a) demonstrate knowledge and understanding of key business concepts contained in the AS specification, with few significant omissions.	Candidates characteristically demonstrate: a) the ability to apply relevant knowledge to familiar and unfamiliar business contexts b) knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) analyse problems, issues and situations by: <ul style="list-style-type: none"> <li>building up logical arguments</li> <li>using appropriate numerical and nonnumerical techniques.</li> </ul>	Candidates characteristically: a) distinguish between fact and opinion b) assess the appropriateness of information from a variety of sources c) make a reasoned evaluation of the sources considered.
<b>E/U boundary performance descriptions</b>	Candidates characteristically: a) demonstrate a basic knowledge and some understanding of business concepts contained in the AS specification.	Candidates characteristically demonstrate: a) the ability to apply a basic level of relevant knowledge to familiar business contexts b) some knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) provide partial analysis of problems, issues and situations by: <ul style="list-style-type: none"> <li>building up arguments</li> <li>using appropriate numerical and nonnumerical techniques.</li> </ul>	Candidates characteristically: a) make some distinction between fact and opinion b) assess at a basic level the appropriateness of information from one or more sources c) make a partial evaluation of the sources considered.

## A2 Performance Descriptions – Business Studies

	<b>Assessment Objective 1</b>	<b>Assessment Objective 2</b>	<b>Assessment Objective 3</b>	<b>Assessment Objective 4</b>
<b>Assessment</b>	Candidates should be able to demonstrate knowledge and understanding of the specified content.	Candidates should be able to apply knowledge and understanding to problems and issues arising from both familiar and unfamiliar situations.	Candidates should be able to analyse problems, issues and situations.	Candidates should be able to evaluate, distinguish between and assess appropriateness of fact and opinion, and judge information from a variety of sources.
<b>A/B boundary performance descriptions</b>	Candidates characteristically: a) demonstrate precise knowledge and understanding of key business concepts drawn from the A2 specification, with few omissions b) demonstrate knowledge and understanding of the interconnections between business concepts.	Candidates characteristically demonstrate: a) effective application of relevant knowledge to familiar and unfamiliar business contexts. b) knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) critically analyse business problems, issues and situations by: <ul style="list-style-type: none"> <li>building up logical arguments</li> <li>using appropriate numerical and nonnumerical techniques</li> </ul> b) analyse a business strategy c) develop a business strategy.	Candidates characteristically: a) distinguish between fact and opinion b) critically assess the appropriateness of information from a wide variety of sources c) make a well-reasoned evaluation of the sources considered.
<b>E/U boundary performance descriptions</b>	Candidates characteristically: a) demonstrate knowledge and some understanding of business concepts drawn from the A2 specification b) demonstrate some knowledge and understanding of the interconnections between business concepts.	Candidates characteristically demonstrate: a) the application of relevant knowledge to familiar and unfamiliar business contexts. b) some knowledge and understanding of the issues arising from these situations.	Candidates characteristically: a) provide a simple analysis of business problems, issues and situations by: <ul style="list-style-type: none"> <li>building up arguments</li> <li>using appropriate numerical and nonnumerical techniques</li> </ul> b) outline a business strategy.	Candidates characteristically: a) distinguish between fact and opinion b) assess the appropriateness of information from several sources c) make an evaluation of the sources considered.

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## B Spiritual, Moral, Ethical, Social and other Issues

### European Dimension

AQA has taken account of the 1988 Resolution of the Council of the European Community in preparing this specification and associated specimen units.

### Environmental Education

AQA has taken account of the 1988 Resolution of the Council of the European Community and the

Report “Environmental Responsibility: An Agenda for Further and Higher Education” 1993 in preparing this specification and associated specimen units.

### Avoidance of Bias

AQA has taken great care in the preparation of this specification and specimen units to avoid bias of any kind.

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## C Overlaps with other Qualifications

There is a potential overlap between aspects of GCE Business Studies, GCE Accounting, GCE Economics and GCE Law.

## D Key Skills - Teaching, Developing and Providing Opportunities for Generating Evidence

### Introduction

The Key Skills Qualification requires candidates to demonstrate levels of achievement in the Key Skills of Communication, Application of Number and Information Technology.

The units for the 'wider' Key Skills of Improving own Learning and Performance, Working with Others and Problem Solving are also available. The acquisition and demonstration of ability in these 'wider' Key Skills is deemed highly desirable for all candidates, but they do not form part of the Key Skills Qualification.

The units for each Key Skill comprise three sections:

- What you need to know
- What you must do
- Guidance.

Candidates following a course of study based on this specification for Business Studies can be offered opportunities to develop and generate evidence of attainment in aspects of the Key Skills of:

- Communication
- Application of Number
- Information Technology
- Working with Others
- Improving own Learning and Performance
- Problem Solving.

Areas of study and learning that can be used to encourage the acquisition and use of Key Skills, and to provide opportunities to generate evidence for Part B of the units, are signposted on the next page.

The above information is given in the context of the knowledge that Key Skills at level 3 will be available until 2010 with last certification in 2012.

Key Skills Qualifications of Communication, Application of Number and Information and Communication Technology will be phased out and replaced by Functional Skills qualifications in English, Mathematics and ICT from September 2010 onwards. For further information see the AQA website:

**<http://web.aqa.org.uk/qual/keyskills/com04.php>**

## Key Skills Opportunities in Business Studies

	Unit 1	Unit 2	Unit 3	Unit 4
<b>Communication</b>				
C3.1a	✓	✓	✓	✓
C3.1b	✓	✓	✓	✓
C3.2	✓	✓	✓	✓
C3.3	✓	✓	✓	✓
<b>Application of Number</b>				
N3.1	✓	✓	✓	✓
N3.2	✓	✓	✓	✓
N3.3	✓	✓	✓	✓
<b>Information Technology</b>				
ICT3.1	✓	✓	✓	✓
ICT3.2	✓	✓	✓	✓
ICT3.3	✓	✓	✓	✓
<b>Working With Others</b>				
WO3.1	✓	✓	✓	✓
WO3.2	✓	✓	✓	✓
WO3.3	✓	✓	✓	✓
<b>Improving Own Learning and Performance</b>				
LP3.1	✓	✓	✓	✓
LP3.2	✓	✓	✓	✓
LP3.3	✓	✓	✓	✓
<b>Problem Solving</b>				
PS3.1	✓	✓	✓	✓
PS3.2	✓	✓	✓	✓
PS3.3	✓	✓	✓	✓





## GCE Business Studies (2130) 2009 onwards

Qualification Accreditation Number: AS 500/2266/0 - A Level 500/2249/0

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