

Learner Guide

Cambridge International AS & A Level Business 9609

For examination from 2023



Copyright © UCLES 2021 (updated November 2023)

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

UCLES retains the copyright on all its publications. Registered Centres are permitted to copy material from this booklet for their own internal use. However, we cannot give permission to Centres to photocopy any material that is acknowledged to a third party, even for internal use within a Centre.

Contents

About this guide	4
1. Syllabus content - what you need to know	5
2. How you will be assessed	7
3. What skills will be assessed	8
4. Command words	9
5. Example candidate response	10
6. Revision	18
7. Useful websites	48

About this guide

This guide explains what you need to know about your Cambridge International AS & A Level Business 9609 course and examinations.

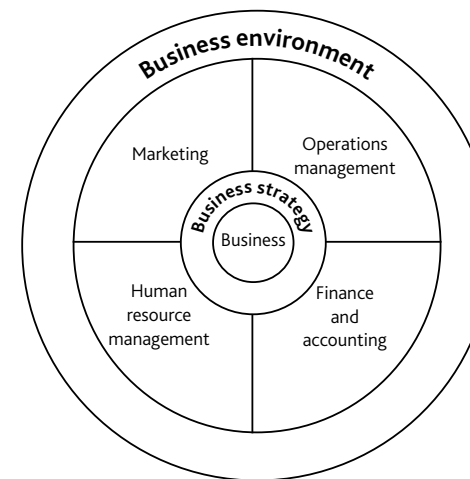
This guide will help you to:

- ✓ understand what skills you should develop by taking this AS & A Level course
- ✓ understand how you will be assessed
- ✓ understand what we are looking for in the answers you write
- ✓ plan your revision programme
- ✓ revise, by providing revision tips and an interactive revision checklist (Section 6).

Following a Cambridge International AS & A Level programme will help you to develop abilities that universities value highly, including a deep understanding of your subject; higher order thinking skills (analysis, critical thinking, problem solving); presenting ordered and coherent arguments; and independent learning and research.

Studying Cambridge International AS & A Level Business will help you to develop a set of transferable skills, including the ability to work with mathematical information; think logically and independently; consider accuracy; model situations mathematically; analyse results and reflect on findings.

Cambridge International AS & A Level Business allows you to experience the diverse and dynamic world within which businesses exist. The course has a focus on how decisions are made. You will gain the knowledge to understand how businesses operate within real contexts, analyse alternative courses of action and develop the ability to make justified recommendations. These transferable skills are essential for anybody working in a business and can facilitate further study within business related areas.



The course begins with an understanding of how businesses are setup, operate and the stakeholders involved.

Each function of business (Marketing, Operations Management, HRM and Finance and accounting) has its own challenges and gives you a better understanding of the decisions that are made in each of these areas.

Business strategy pulls all of these elements together and gives direction to the business.

However, all of these decisions must be made in an ever-changing business environment which enables and constrains how the business can operate.

By the end of the course you will be able to recommend realistic strategies that a business can pursue to reach their objectives.

1. Syllabus content - what you need to know

This section gives you an outline of the syllabus content for this course.

Candidates for Cambridge International AS Level study the AS Level topics for Paper 1 and Paper 2.

Content section	Topics included
1. Business and its environment	1.1 Enterprise 1.2 Business structure 1.3 Size of business 1.4 Business objectives 1.5 Stakeholders in a business
2. Human resource management	2.1 Human resource management (HRM) 2.2 Motivation 2.3 Management
3. Marketing	3.1 The nature of marketing 3.2 Market research 3.3 The marketing mix
4. Operations management	4.1 The nature of operations 4.2 Inventory management 4.3 Capacity utilisation and outsourcing
5. Finance and accounting	5.1 Business finance 5.2 Sources of finance 5.3 Forecasting and managing cash flows 5.4 Costs 5.5 Budgets

Candidates for Cambridge International A Level study additional A Level topics for Paper 3 and Paper 4.

Content section	Topics included
6. Business and its environment	6.1 External influences on business activity 6.2 Business strategy
7. Human resource management	7.1 Organisational structure 7.2 Business communication 7.3 Leadership 7.4 Human resource management (HRM) strategy
8. Marketing	8.1 Marketing analysis 8.2 Marketing strategy
9. Operations management	9.1 Location and scale 9.2 Quality management 9.3 Operations strategy
10. Finance and accounting	10.1 Financial statements 10.2 Analysis of published accounts 10.3 Investment appraisal 10.4 Finance and accounting strategy

Make sure you always check the latest syllabus, which is available from our [public website](#). This will also explain the different combinations of components you can take.

Prior knowledge

No prior knowledge of business is required.

Key concepts

Key concepts are essential ideas that help you to develop a deep understanding of your subject and make links between different aspects of the course. The key concepts for Cambridge International AS & A Level Business are:

- **Change**

Change is the only constant. New enterprises and opportunities are created in response to change in the external environment. Change can also happen within a business, leading to success when change is handled correctly.

- **Context**

Context is the basis for every business decision. What might be a suitable solution in one situation may be unsuitable in another. Businesses must understand and research their context to be able to make good decisions.

- **Decision-making**

Decision-making affects all levels in a business. Stakeholders in businesses use their knowledge, apply it to a scenario, analyse the data, evaluate the arguments and then come to a decision.

- **Enterprise**

Enterprise is the ability to seek out and successfully develop business opportunities.

- **Innovation**

Innovation enables a business to re-invent itself and stay ahead of the competition. The business world is dynamic and companies must seek to innovate through product development, more efficient processes and finding better ways to do business.

- **Strategy**

Strategy is about knowing where you are, where you want to get to and how you are going to get there. Being able to analyse a business situation, make choices given relevant data and then implement this effectively is key to running a successful business.

2. How you will be assessed

Cambridge International AS Level Business makes up the first half of the Cambridge International A Level Business course and provides a foundation for the study of Business at Cambridge International A Level.

About the examinations

There are two papers you must take to obtain an AS Level Business qualification and a further two additional papers to obtain a full A Level in Business.

- Paper 1 Business Concepts 1 (AS Level)
- Paper 2 Business Concepts 2 (AS Level)
- Paper 3 Business Decision-Making (A Level)
- Paper 4 Business Strategy (A Level)

About the papers

The table gives you further information about the examination papers:

Component	Time and marks	Questions	Percentage of qualification
Paper 1 Business Concepts 1	1 hour 15 minutes 40 marks	Section A: you will need to answer four short answer questions. There are two parts to the first three questions. Section B: you will need to write one essay from a choice of two. There are two parts to each essay. Questions are based on the AS Level subject content.	40% of the AS Level 20% of the A Level
Paper 2 Business Concepts 2	1 hour 30 minutes 60 marks	You will need to answer two data response questions. There are six parts to each question. Questions are based on the AS Level subject content.	60% of the AS Level 30% of the A Level
Paper 3 Business Decision-Making	1 hour 45 minutes 60 marks	You will need to answer five questions based on a case study. There are three parts to Question 3 and two parts to Question 4. Questions are based on the A Level subject content; knowledge of material from the AS Level subject content is assumed.	30% of the A Level
Paper 4 Business Strategy	1 hour 15 minutes 40 marks	You will need to answer two essay questions based on a case study. Questions are based on the A Level subject content; knowledge of material from the AS Level subject content is assumed.	20% of the A Level

3. What skills will be assessed

The examiners take account of the following skills areas (**assessment objectives**) in the examinations:

Assessment objectives (AO)	What does the AO mean?
AO1 Knowledge and understanding	Demonstrate knowledge and understanding of business concepts, key terms, theories and techniques.
AO2 Application	Applying knowledge and understanding to problems and issues. Sometimes these will be simple, familiar scenarios, or it may be a detailed case study about a business that will be unfamiliar to you.
AO3 Analysis	Drawing out the causes, effects and reactions of things that may occur by analysing: • techniques to give evidence to aid decision-making • the reasons behind business decisions • the effects of making business decisions on a business and its stakeholders • the possible reactions of a business or its stakeholders.
AO4 Evaluation	Weighing up arguments, often to come to a judgement. You may be asked to make a recommendation, which involves choosing the route that you think is best for the business or its stakeholders.

It is important that you know the different weightings (%) of the assessment objectives, as this affects how the examiner will assess your work.

Assessment objectives as a percentage of each qualification

Assessment objective	Weighting at AS Level %	Weighting at A Level %
AO1 Knowledge and understanding	30	25
AO2 Application	30	25
AO3 Analysis	20	25
AO4 Evaluation	20	25
Total	100	100

Assessment objectives as a percentage of each component

Assessment objective	Weighting in components %			
	Paper 1	Paper 2	Paper 3	Paper 4
AO1 Knowledge and understanding	35	30	20	15
AO2 Application	30	30	27	10
AO3 Analysis	20	20	23	40
AO4 Evaluation	15	20	30	35
Total	100	100	100	100

4. Command words

The table below includes command words used in the assessment for this syllabus. The use of the command word will relate to the subject context.

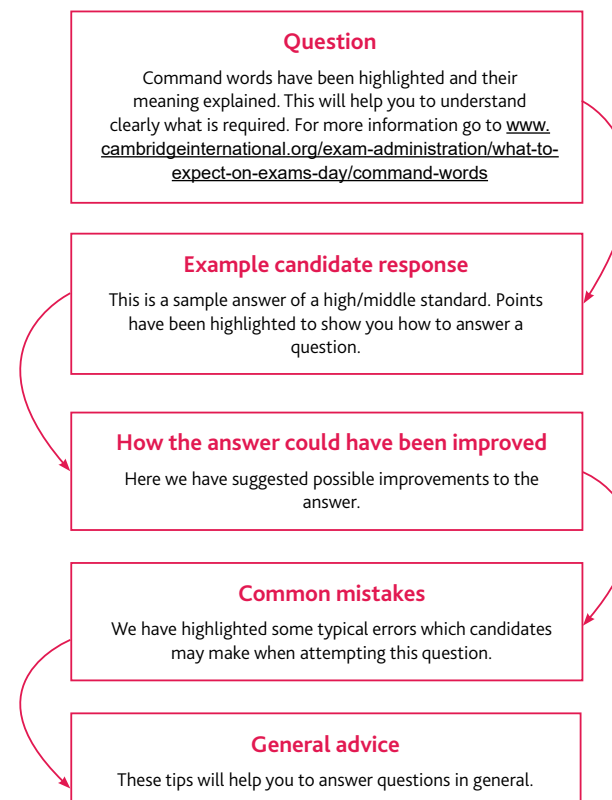
Command word	What it means
Advise	write down a suggested course of action in a given situation
Analyse	examine in detail to show meaning, identify elements and the relationship between them
Assess	make an informed judgement
Calculate	work out from given facts, figures or information
Define	give precise meaning
Evaluate	judge or calculate the quality, importance, amount, or value of something
Explain	set out purposes or reasons/make the relationships between things evident/provide why and/or how and support with relevant evidence
Identify	name/select/recognise
Justify	support a case with evidence/argument

5. Example candidate response

This section takes you through an example question and candidate response. It will help you to see how to identify the command words within questions and to understand what is required in your response. Understanding the questions will help you to know what you need to do with your knowledge. For example, you might need to state something, calculate something, find something or show something.

All information and advice in this section is specific to the example question and response being demonstrated. It should give you an idea of how your responses might be viewed by an examiner but it is not a list of what to do in all questions. In your own examination, you will need to pay careful attention to what each question is asking you to do.

This section is separated as follows:



Question

This is the question and source material for Paper 2 Question 2 (c–d).

2 Candy Planet (CP)

CP is a public limited company which sells candy (sweets) to its national market and international markets. CP has benefitted from internal growth over the past eight years and has a good working capital position.

The total market sizes are shown in Table 2.1.

Table 2.1: Market data for candy

	2017	2018
National market	\$550m	\$550m
International market	\$60bn	\$61.5bn

CP is a capital intensive business but it does employ 40 workers to operate and maintain the machines. These employees have part-time contracts. The candy is made using flow production. Each variety of candy is made on a separate production line. Some of the machinery is over 25 years old. CP has 20 separate production lines in its factory and there are diseconomies of scale.

The Operations Director of CP has proposed that the company changes from having many production lines to a single production line using process innovation. The business has carried out research into new machinery that would allow for mass customisation and an increase in the number of products produced each month. This would mean CP could have just one production line which would make every type of candy which CP sells. CP could also increase its product portfolio.

The new machinery would cost \$75m and its installation would require CP to stop production for six months. Most of the current workforce would face redundancy. The Finance Director has concerns about how CP could finance this new machinery. CP does not have any retained earnings which it could use and the business has already been told that a bank loan is not possible.

(c) Analyse **one** internal source of finance and **one** external source of finance which CP could use for the new machinery. [8]

Analyse – this is the command word in the question. Analysis is the skill of showing the cause, impact or reaction of something. Analysis is AO3. However, to gain all of the marks you need to show that you have knowledge and understanding (AO1) and apply this to the data (AO2). The question asks you to analyse one internal source of finance and one external source of finance. That means that you need to:

- show knowledge and understanding of an internal source of finance
- apply this to the data about Candy Planet (CP)
- analyse the likely impact on CP of this source of finance.

This process then needs to be repeated for an external source of finance.

(d) Evaluate the likely benefits for CP of the proposed process innovation. [11]

Evaluate – this is the command word in the question. Evaluation requires the consideration of different arguments and a justified judgement. In this question that is the most important advantage to CP of the proposed process innovation. Evaluation is AO4. However, to gain all of the marks you need to show that you have knowledge and understanding (AO1), can apply this to the data (AO2) and have shown analysis (AO3). The question asks you to evaluate the likely benefits to CP of the proposed process innovation. This means that you need to:

- show knowledge and understanding of process innovation
- apply this to the data about Candy Planet (CP)
- analyse the likely benefits to CP
- evaluate which of the likely benefits will have the biggest impact on CP and come to a judgement over which of the likely benefits will give CP the greatest advantage.

The question asks for more than one benefit, so a minimum of two benefits need to be analysed. You are able to gain all the marks by analysing and evaluating two benefits.

Example candidate response

Example Candidate Response

2 (c) One internal source of finance could be selling off the 25 year old machine to emerging entrepreneurial firms. Such a smaller Entrepreneur would not have the affordability to invest in expensive new machines. Hence, the second-hand is an option to them and also their production is not as huge as CP which means the machine will not be overlooked. By selling this non-current asset CP would be able to gather a sum of finance and at the same time get rid of the machine. However, the amount of money received from selling the machinery might not be enough and it may have to seek other source such as debentures.

Another source of finance represents issuing shares to existing shareholders and new investors as well. By

Examiner comments

- The candidate has started by identifying an internal source of finance. This response, very quickly, gains one knowledge mark and one application mark. Analysis questions always require the use of context and you should use the context from the case so that you do not give generic, non-specific answers.
- The candidate also demonstrates analysis – it shows the impact on CP of selling the 25-year-old machinery as an internal source of finance. In this case the impact is that it may not bring in enough finance, forcing CP to find another source.
- Whilst this is a possible impact, it is only limited analysis because it does not build into a chain of analysis by developing the impact further.
- The candidate has clearly separated their answer and has now identified an external source of finance; sale of shares. This is not just knowledge and understanding (AO1), it is also application (AO2) because only a limited company, such as CP, can sell shares. It is not an external source of finance that is available to every business (generic). The response has now gained all of the AO1 marks and all of the AO2 marks.

Example Candidate Response

5	issuing share at it could a large & large finance which would especially if it does a board meeting with shareholders and reveal its plan. shareholders will be more likely to buy.
6	However, with issuing shares dividend will have to be paid in the long run. which is not And since CP would be closed down for 6 months to profit will not be generated. Consequently it will become difficult to pay back dividends to shareholders. An effective cash flow management will be an essence to anticipate such changes.
8	

Examiner comments

5 The candidate has also mentioned 'new investors'. It is a common mistake on source of finance questions for candidates to confuse selling shares to existing shareholders (which is an internal source) and potential new shareholders (which is an external source). Although the candidate has mentioned both here, examiners will ignore the incorrect part of the answer.

6 Having to pay out dividends demonstrates limited analysis. It is a clear impact of selling shares to new investors as an external source of finance.

7 Another nice use of the context (application AO2) which makes the answer specifically about CP, not just any generic business.

8 There follows a chain of analysis. The candidate has shown the initial impact (having to pay more dividend) and developed this by stating that it may lead to a need for more effective cash flow management. While it is possible to take this further (may increase the costs of the business, which may reduce the profitability) the candidate has enough on this point to move their analysis into Level 2.

AO1 = 2/2

AO2 = 2/2

AO3 = 3/4

Total mark awarded =
7 out of 8

Example Candidate Response

(d)	Process innovation refers to the use of new better technological machinery in CP to reduce its number of processes involved at the transformation process, through the use of innovative aspects.
1	
2	CP will be able to retain control and manage its operations more effectively. Since there 20 production lines would be cut down to only 1, this suggest a much better management of the process and less workers to assist machines. Having lesser tedious tasks means ^{part-time} workers will be motivated to and wastages will be avoided.
3	
4	Also, however, employees will be made redundant with and costs will be saved. Consequently it may improve its discretionaries of state stock materials will not be wasted. However, this will depend on employees reaction when they are being made redundant. They could ruin business image by tarnishing its reputation.

Examiner comments

1 The candidate starts with an attempt at a definition of process innovation. This is always a good way to start an evaluative question as you can gain marks through demonstrating knowledge and understanding. However, this is limited.

2 The candidate identifies their first benefit to CP – being able to manage its operations more effectively. This is quickly put into context because the candidate identifies that the 20 production lines will be cut down to 1 production line. This is application because it comes from the data and is specific to CP.

3 The candidate starts to analyse the benefit by stating that the workers will have less tedious tasks and be more motivated. However, that is a benefit to the worker and not to CP and so not relevant to the question. The point is continued by suggesting that this could lead to less waste for CP, but this should be explicitly linked to the fact that increased motivation means less waste. Although the link may seem obvious, the examiner can only mark what is actually written, not what has been implied.

4 The candidate then states that workers may be made redundant, again saving costs. However, redundancy may also increase costs, so, again, this needs to be made clear. This is also linked to reduced waste and should be clearer in the candidate's response. There is an attempt to suggest the redundancies might damage CP's reputation but this does not link to the benefit of process innovation. The candidate has moved too far away from the point of the question.

Example Candidate Response

Examiner comments

		Process innovation to will be a	
5		Unique selling point (USP) for CP & having	5 The candidate's second point is
		a differentiated market by the use of	that process innovation will be a USP
		mass customisation. will definitely	for CP, but the link between process
		attract many customers. Consequently	innovation, mass customisation and
		and CAD and computer aided design	a USP for the business is vague and
6		and can will be used to modify	needs to be better explained. The
		good according to customer needs	examiner cannot 'fill in the gaps' and
		which every they could decrease	guess what the candidate probably
		need for extensive advertising in	means.
		international markets. However,	6 This is limited analysis because
		it will depend on whether adequate	although the candidate recognised
		training and development has	that CP can use the process innovation
		been provided to the employees	to respond to customer needs
7		to use the high end tech	(through mass customisation) the
		machines.	point is not developed so is only
			rewarded as limited analysis.
		Easy to Ability to retain control	7 The candidate attempts some
		and a product differentiations	evaluation at the end of this point, by
		are benefits to be derived. However	considering whether it is a real benefit
		the likelihood of this to accept it depen	to CP. The likelihood of CP gaining this
8		its finance will be received in order	benefit depends on adequate training
		to complete the to bring this change	and development for the employees to
			be able to use the new machines. This
			evaluation is just about developed
			and therefore moves into Level 2 for
			evaluation and is awarded 3 marks.
			8 A good response would attempt
			to come to a judgement over which
			benefit would give the biggest
			advantage to CP. However, the
			candidate simply summarises some
			of their previous points. This is not
			evaluation and is not rewardable.
			AO1 = 1/2
			AO2 = 1/2
			AO3 = 1/4
			AO4 = 3/6
			Total mark awarded =
			6 out of 12

How the answer could have been improved

Part (c)

The candidate could have used their time more effectively. They explained why another entrepreneur might want CP's old machinery which is not relevant to the question. Examiners do not take marks away for irrelevant answers, but irrelevant material can lead a candidate away from the focus of the question.

The analysis of the internal source of finance is only limited because the candidate does not take their answer further. Developed analysis requires the candidate to link together the stages of an impact. In this case the candidate could have written, 'the amount of money received from selling the machinery might not be enough and CP may have to seek other sources of finance, which may take longer and delay CP's purchase of the new machinery and the process innovation.' By developing the point to show the full impact on CP, the analysis has more impact and gains more marks.

Part (d)

The definition of process innovation is vague. A good knowledge and understanding of the key terms from the syllabus is essential.

The candidate needed to focus their analysis, especially in the first point, on the benefit to CP. There is scope here for a good point to be made, e.g. by using process innovation, CP can reduce their costs because they need less workers, leading to lower employment costs for CP and the opportunity to make higher profits.

The candidate's second analytical point, that it will allow for mass customisation and to be able to meet customer needs, is a reasonable benefit. The point has some limited analysis in terms of the decreased need for extensive marketing, but this is not developed into a chain of analysis. If the candidate went on to suggest that this would decrease CP's spending on marketing, leading to reduced costs and an opportunity to make more profit, then the point would have gained more analysis marks.

It is difficult to make a judgement without at least two developed analytical points because generally the judgement needs to be made about those analytical points. In this case a judgement about the most likely or biggest benefit to CP. However, a summary is not the correct way to end an evaluative answer. Once you have made your points, there is never a need to repeat them.

Common mistakes

The most common mistakes learners make are:

Part (c)

- On questions like this, it is essential to clearly identify what you are writing about. Make it clear if you are analysing the internal or the external source of finance. Analysis questions are always clear as to what you need to analyse, so make it equally clear to the examiner what you are analysing.
- You also need to make sure your knowledge and understanding is good. It is not uncommon for candidates to confuse their answer (for example, stating that selling shares to new investors is an internal source of finance) which means that all of the application and analysis that follows is unrewardable. No marks can be awarded if there is not knowledge and understanding shown.
- The question clearly asks for two pieces of analysis (an internal and an external source of finance). However, it is not uncommon for candidates to offer three or more pieces of analysis. Examiners are looking for the quality of analysis, not the quantity. Candidates who try to analyse more than the question asks for tend to not develop their analysis. Do what the question asks for, no more, no less.
- Most of the examinations for A Level Business have some form of data or case study. This is there to help you be selective over what to use in your answer. In this case there are some obvious sources of finance hinted at in the data. For example, the first line of the data states that CP is a public limited company. As long as you know that this type of company can sell shares on the stock exchange to raise finance, then this becomes an excellent and contextual external source of finance. The data or case should be used to give you a great hint as to what answer the examiner is expecting.

Part (d)

- One of the most common mistakes on part (d) was to not have the required knowledge to answer it. Knowledge and understanding of the key terms of the syllabus is, in many ways, the easiest assessment objective and therefore sometimes the one that is missed out. Process innovation is not an everyday term and many candidates were unable to plan a good answer because they did not have the necessary knowledge to answer the question. It does not matter how good your application, analysis and evaluation are, if you do not know what the question means you cannot answer it.
- One of the most common mistakes for any evaluative question is that candidates do not develop their analysis. The question uses the plural (benefits) so it is essential to cover more than one benefit. However, more is not always better. Two benefits with well-developed analysis is always better than more benefits with only limited analysis. In fact, one well-developed piece of analysis gains more marks than a number of limited pieces of analysis.
- Evaluation is often thought of as the most difficult assessment objective because it needs to be based on knowledge, application and analysis. It is not achieved by producing a summary or repeating previous points. It is about considering your analytical points and coming to a judgement. A good response is one where each analytical point is judged on its own merits to the given situation, followed by a justified judgement. Always go back to the wording of the question when evaluating, to make sure you are evaluating against what the question has asked you to do. This question asks about the likely benefits, therefore the likelihood or chance of that benefit actually happening for CP has to be part of the evaluation. That is the judgement.

General advice

In order to answer this type of question well:

- Read the question carefully. Most analysis questions are specific about how many pieces of analysis are required – generally one for a 5 mark question and two for an 8 mark question.
- Develop your analysis. One piece of well-developed analysis is worth more marks than two pieces of limited analysis.
- Use the context to help you. It is likely to be full of hints and clues that have been put there to make your answer better. It is obvious when a candidate does not use the context because their answer is generic and could apply to any business.
- Separate out each piece of analysis clearly. Use paragraphs to separate each point so that each one can be rewarded separately.
- Make sure you have the knowledge and understanding. Without any knowledge and understanding you cannot gain any further application or analysis marks. If you get the basics wrong then you may end up with zero marks.
- Unless you know all of the key terms from the syllabus, you risk finding a question that you cannot answer. Do not forget to revise knowledge and understanding. Only then will you be able to show off your analytical and evaluative skills.
- The quality of your analysis is more important than the quantity of it. It is better to have two well-developed pieces of analysis than many pieces of limited analysis. Strong analysis is most often shown by a series of linked points that clearly show the full benefit, advantage or disadvantage depending on the question.
- Think about what you want to say. You need the examiner to follow your point. It is too easy to assume the examiner will know what you mean. They can only read what is there on the page, which may not necessarily be what you meant. If you have time re-read your answers you may spot these simple mistakes.
- Do not just write the first things that come to your mind. Most questions have lots of potential analytical points (in this case there are many potential benefits of process innovation). Spend a short time planning your answer, choose which points are most relevant to the business context and which ones you can write about with confidence.
- When you get to the end of your answer, go back to the question and use its wording to ensure you come to an appropriate judgement. Think about the evaluative word(s) which will help you come to a judgement. Some of the most common evaluative words are:
 - importance
 - usefulness
 - likely
 - most
 - suitable.

6. Revision

This advice will help you revise and prepare for the examinations. It is divided into general advice and specific advice for each of the papers.

Use the tick boxes to keep a record of what you have done, what you plan to do or what you understand.

General advice

Before the examination

Find out when the examinations are and plan your revision so you have enough time for each topic. A revision timetable will help you.

Find out how long each paper is and how many questions you have to answer.

Know the meaning of the command words used in questions and how to apply them to the information given. Highlight the command words in past papers and check what they mean.

Make revision notes; try different styles of notes. Discover what works best for you.

Work for short periods then have a break. Revise small sections of the syllabus at a time.

Build your confidence by practising questions on each of the topics.

Make sure you practise lots of past examination questions so that you are familiar with the format of the examination papers. You could time yourself when doing a paper so that you know how quickly you need to work in the real examination.

Look at mark schemes to help you to understand how the marks are awarded for each question.

Make sure you are familiar with the mathematical notation that you need for this syllabus. Your teacher will be able to advise you on what is expected.

Check which formulae are in the formula booklet available in the examination, and which ones you need to learn.

During the examination

Read the instructions carefully and answer all the questions.

Check the number of marks for each question or part question. This helps you to judge how long you should spend on the response. You do not want to spend too long on some questions and then run out of time at the end.

Do not leave out questions or parts of questions. Remember, no answer means no mark.

You do not have to answer the questions in the order they are printed in the answer booklet. You may be able to do a later question more easily then come back to an earlier one for another try.

Read each question very carefully. Misreading a question can cost you marks:

- Identify the command words – you could underline or highlight them.
- Identify the other key words and perhaps underline them too.
- Try to put the question into your own words to understand what it is really asking.

Read all parts of a question before starting your answer. Think carefully about what is needed for each part. You will not need to repeat material.

Look very carefully at the information you are given.

- For graphs, read the title, key, axes, etc. to find out exactly what they show.
- For diagrams, look at any angles and lengths.
- Try using coloured pencils or pens to pick out anything that the question asks you about.

Answer the question. This is very important!

- Use your knowledge and understanding.
- Do not just try all the methods you know. Only use the ones you need to answer the question.

Make sure that you have answered everything that a question asks. Sometimes one sentence asks two things, e.g. 'Show that ... and hence find ...'. It is easy to concentrate on the first request and forget about the second one.

Always show your working. Marks are usually awarded for using correct steps in the method even if you make a mistake somewhere.

Do not cross out any working until you have replaced it by trying again. Even if you know it's not correct you may still be able to get method marks. If you have made two or more attempts, make sure you cross out all except the one you want marked.

Use mathematical terms in your answers when possible.

Annotated diagrams and graphs can help you, and can be used to support your answer. Use them whenever possible but do not repeat the information in words.

Make sure all your numbers are clear, for example make sure your '1' doesn't look like a '7'.

If you need to change a word or a number, or even a sign (+ to – for example), it is better to cross out your work and rewrite it. Do not try to write over the top of your previous work as it will be difficult to read and you may not get the marks.

Do not write your answers in two columns in the examination. It is difficult for the examiners to read and follow your working.

Advice for all Papers

Use your time wisely. Each examination has a limited amount of time and many questions to get through. You need to plan how long you want to spend on each question and make sure you do not run out of time.

Understand what each command word means and how to write a response which can gain all the marks. If the question only asks you to identify, then that is all you need to do.

Do what the question asks you to do. If it asks for two benefits, then you only need to do two. If it asks for benefits, then make sure you write about more than one benefit.

Many questions have a focus. This could be a business or a stakeholder. Make sure you write your answer based on this focus. An advantage for a customer is likely to be very different to an advantage for the business.

Make sure you answer in context. The context might be part of the question (for example 'to a hotel') or it might be based on the data or case study given in the examination.

Questions that require extended writing (5, 8, 12 and 20 mark questions) must have developed chains of analysis. Think about all the steps in that analysis and make it clear why one effect may lead to the next.

For questions that require evaluation (12 and 20 mark questions) do not leave all your evaluation to the end of the response. Weigh up your points throughout the answer.

When you are asked to make a recommendation or to advise, build your answer towards the judgement and then make your judgement clear at the end of your response. The examiner wants to follow the logic of your answer and it is illogical to start with the judgement.

Practice writing your answers to be proportionate to the AO marks available. For example, a 12 mark question has half the marks for evaluation, so half of your response should be evaluative, not just a couple of sentences at the end.

Paper 1 advice

This paper has two sections. In Section A you must answer all the questions. In Section B you should only answer one question (parts a and b).

You can choose what order you answer the questions. Some candidates prefer to answer Section B first so that they have enough time to give a full, evaluative answer. However, you may run out of time for Section A. Work out what order will work best for you.

Although Section A and Section B have the same number of marks, you are likely to be able to complete Section A in less time than Section B. Aim to spend 30–35 minutes on Section A, so that you have 40–45 minutes for Section B.

The Section A questions are mostly short-answer questions. Do not be tempted to write too much. Get the marks and move on.

In Section B, there are two parts to each question. If you answer 5a, then you must follow on to answer 5b. Do not mix up the parts from the two questions.

Many questions on this paper have a context within the question. If a specific type of business is in the question, then make sure your answer is about that type of business.

Paper 2 advice

There are two questions on this examination. Each question has six parts. Manage your time wisely so that you can finish all of the questions.

Each question starts with a piece of data (short case study) about a business. Read this thoroughly before attempting any of the questions. You must understand the nature of the business, so that you can write contextual answers.

If the question refers to the business or a stakeholder then your answer must be in the context of the data.

Use a calculator if at all possible. This paper will always have calculation questions and you will waste time if you have to work everything out without a calculator.

Write out each stage of the calculation, starting with the formula. If you get the answer wrong, then the examiner can give you marks for stages you do get correct.

Aim to spend a minute per mark on the shorter questions so that you can spend a little longer on the analysis and evaluative questions.

Paper 3 advice

This paper has a long case study. You must read this thoroughly before attempting any of the questions. You should spend 10–15 minutes reading the case study and the questions.

It can be useful to use a highlighting pen or a pencil to mark-up sections of the case study that you think might be useful in answering the questions. This can save you time when you need to find important data.

Use a calculator if at all possible. This paper will always have calculation questions and you will waste time if you have to work everything out without a calculator.

Write out each stage of the calculation, starting with the formula. If you get the answer wrong, then the examiner can give you marks for stages you do get correct.

Most of the questions on this paper require extended writing responses. Plan your answer before you start writing and make sure you include enough analytical points with enough chances for evaluation.

All the questions are based on the case study. Therefore, every answer will require the use of context.

Although this is an A Level paper, you must revise the AS Level content as it is expected that you will know everything from the whole A Level.

Paper 4 advice

This paper has a case study with appendices of information. You must read this thoroughly before attempting any of the questions. You should spend 5–10 minutes reading the case study and the questions.

It can be useful to use a highlighting pen or a pencil to mark-up sections of the case study that you think might be useful in answering the questions. This can save you time when you need to find important data.

There are two 20 mark questions on this paper. Each requires a well-structured answer using all of the assessment objectives. There are more marks available for analysis (AO3) and evaluation (AO4) than knowledge and understanding (AO1) and application (AO2), so structure your answer to show these skills.

Every point you make in your answers should be based on the context given. Generic answers are unlikely to gain many marks.

The examiner is not looking for one right answer. There are likely to be many possible responses to strategy questions, so any answer that is realistic and based on the context can be rewarded.

Although this paper is based on business strategy (Section 6.2 of the syllabus) you will be expected to use content from the entire syllabus in your answer.

Be selective over what you choose to write about. Focus on what you think is most relevant to the business context and the question set. You do not need to use every piece of data in the case study. Focus on what is most important.

Revision checklists

In the next part of this guide we have provided some revision checklists. These include information from the syllabus that you should revise. They do not contain all the detailed knowledge you need to know, just an overview. For more detail see the syllabus and talk to your teacher.

The table headings are explained below:

Topic	You should be able to understand	R	A	G	Comments
Here is a list of the topics you need to cover and work through.	This is the key content and understanding you need.	You can use the tick boxes to show when you have revised an item and how confident you feel about it. R = RED means you are really unsure and lack confidence; you might want to focus your revision here and possibly talk to your teacher for help. A = AMBER means you are reasonably confident but need some extra practice. G = GREEN means you are very confident. As your revision progresses, you can concentrate on the RED and AMBER items in order to turn them into GREEN items. You might find it helpful to highlight each topic in red, orange or green to help you prioritise.			You can use the Comments column to: • add more information about the details for each point • add notes • include a reference to a useful website and other resources • highlight areas of difficulty or things that you need to talk to your teacher about or look up in a textbook.

Note: the tables below cannot contain absolutely everything you need to know, but it does use examples wherever it can.

1. Business and its environment (AS Level)

Topic	You should be able to understand	R	A	G	Comments
1.1 Enterprise					
1.1.1 The nature of business activity	the purpose of business activity				
	the factors of production needed for business activity: land, labour, capital and enterprise				
	the concept of adding value				
	the nature of economic activity, the problem of choice and opportunity cost				
	the dynamic business environment				
	why businesses succeed or fail				
	differences between local, national, international and multinational businesses				
1.1.2 The role of entrepreneurs and intrapreneurs	the qualities entrepreneurs and intrapreneurs need for success				
	the role of entrepreneurship in creating and starting up a business				
	the role of intrapreneurship in the ongoing success of a business				
	barriers to entrepreneurship				
	business risk and uncertainty				
	the role of business enterprise in the development of a country				
1.1.3 Business plans	the meaning and purpose of business plans				
	the key elements of business plans				
	the benefits and limitations of business plans				

Topic	You should be able to understand	R	A	G	Comments
1.2 Business structure					
1.2.1 Economic sectors	the primary, secondary, tertiary and quaternary sectors and businesses within those sectors				
	the public and private sectors and businesses within those sectors				
	the reasons for and consequences of the changing relative importance of these sectors				
1.2.2 Business ownership	the main features of different types of business ownership: sole traders, partnerships, private limited companies, public limited companies, franchises, co-operatives, joint ventures and social enterprises				
	the appropriateness of different types of business ownership				
	the concepts of unlimited liability and limited liability and their importance				
	the advantages and disadvantages of changing from one type of business ownership to another				
1.3 Size of business					
1.3.1 Measurements of business size	the appropriateness of different methods of measuring the size of a business				
1.3.2 Significance of small businesses	the advantages and disadvantages of being a small business				
	the strengths and weaknesses of family businesses				
	the importance of small businesses and their role in the economy				
	the role of small businesses as part of the industrial structure in some industries				

Topic	You should be able to understand	R	A	G	Comments
1.3.3 Business growth	why and how a business might grow internally (organic growth)				
	the different types of external growth through merger and takeover: horizontal, vertical (backward and forward), conglomerate diversification, friendly merger, hostile takeover				
	the impact of a merger/takeover on stakeholders				
	why a merger/takeover may or may not achieve objectives				
	the importance of joint ventures and strategic alliances as methods of external growth				
	1.4 Business objectives				
1.4.1 Business objectives in the private sector and public sector	the objectives of businesses – private sector, public sector, and social enterprises				
	the importance of business objectives				
	corporate social responsibility (CSR) and the triple bottom line – economic (financial), social and environmental objectives				
	the relationship between mission statement, aims, objectives, strategy and tactics				
1.4.2 Objectives and business decisions	the different stages of business decision-making and the role of objectives in the stages of business decision-making				
	how objectives might change over time				
	the translation of objectives into targets and budgets				
	the need for communication of objectives and their likely impact on the workforce				
	SMART (specific, measurable, achievable, realistic, time-limited) objectives				

Topic	You should be able to understand	R	A	G	Comments
	how ethics may influence business objectives and activities				
1.5 Stakeholders in a business					
1.5.1 Business stakeholders	individuals or groups with an interest in the activities of a business				
	internal stakeholders and external stakeholders				
	the roles, rights and responsibilities of stakeholders				
1.5.2 The relative importance and influence of stakeholders on business activities	the impact of business decisions on stakeholders, and their reactions				
	the impact of stakeholder aims on business decisions				
	how and why a business needs to be accountable to its stakeholders				
	how conflict might arise from stakeholders having different aims and objectives				
	how changing business objectives might affect its stakeholders				

2. Human resource management (AS Level)

Topic	You should be able to understand	R	A	G	Comments
2.1 Human resource management (HRM)					
2.1.1 Purpose and roles of HRM	the role of HRM in meeting organisational objectives				
2.1.2 Workforce planning	the reasons for and role of a workforce plan				
	measurement of labour turnover				
	the implications of high and low labour turnover for a business				

Topic	You should be able to understand	R	A	G	Comments
2.1.3 Recruitment and selection	recruitment of employees: process (job descriptions and person specifications) and recruitment methods (job advertisements, employment agencies, online recruitment)				
	internal and external recruitment				
	selection methods: curriculum vitae, résumé, application forms, interviews, references, testing, assessment centres				
	employment contracts				
2.1.4 Redundancy and dismissal	the difference between redundancy (voluntary and involuntary) and dismissal (fair, unfair)				
2.1.5 Morale and welfare	the relationship between HRM, employee morale and welfare in a business including the concept of work-life balance				
	the impact of diversity and equality in the workplace on a business				
2.1.6 Training and development	different types of training: induction, on-the-job, off-the-job				
	the impact of training and development on a business				
	employee development to encourage intrapreneurship				
	employee development to encourage multi-skilling and flexibility				
2.1.7 Management and workforce relations	how cooperation between management and the workforce can be of benefit to both				
	the impact on employers and employees of trade union involvement in the workplace including their role in collective bargaining				

Topic	You should be able to understand	R	A	G	Comments
2.2 Motivation					
2.2.1 Motivation as a tool of management and leadership	the need to motivate employees to achieve the objectives of a business				
2.2.2 Human needs	a simple explanation of human need				
	how human needs may or may not be satisfied at work				
2.2.3 Motivation theories	the ideas of the main content theories (Taylor, Mayo, Maslow, Herzberg and McClelland) and process theory (Vroom)				
2.2.4 Motivation methods in practice: financial motivators, non-financial motivators	the theories in practical situations				
	different payment methods: time based, salary, piece rates, commission, bonuses, profit sharing, performance-related pay, fringe benefits				
	different types of non-financial motivators: training, opportunities for promotion, development, status, job re-design, team working, empowerment, participation, job enrichment				
	ways in which employees can participate in the management and control of business activity				
2.3 Management					
2.3.1 Management and managers	traditional manager functions: planning, organising, directing, controlling				
	the role of managers: Fayol, Mintzberg				
	the contribution of managers to business performance				
	management styles: autocratic, democratic, laissez-faire, paternalistic				
	McGregor's Theory X and Theory Y managers				

3. Marketing (AS Level)

Topic	You should be able to understand	R	A	G	Comments
3.1 The nature of marketing					
3.1.1 The role of marketing and its relationship with other business activities	marketing objectives				
	the link between marketing objectives and corporate objectives				
3.1.2 Demand and supply	the factors influencing the demand for and supply of the products of a business				
	interactions between demand, supply and price				
3.1.3 Markets	how markets may differ: consumer and industrial markets; local, national and international markets				
	the difference between product orientation and customer (market) orientation				
	measurement of market share and market growth				
	the implications of changes in market share and market growth				
3.1.4 Consumer and industrial marketing	the classification of products				
	how marketing might differ for consumer products (B2C – business to consumer) and industrial products (B2B – business to business)				
3.1.5 Mass marketing and niche marketing	the features of mass and niche markets				
	the advantages and disadvantages of mass marketing and niche marketing				
3.1.6 Market segmentation	methods of market segmentation: geographic, demographic and psychographic				
	the advantages and disadvantages of market segmentation				

Topic	You should be able to understand	R	A	G	Comments
3.1.7 Customer relationship marketing (CRM)	the aims of CRM				
	the costs and benefits of CRM				
3.2 Market research					
3.2.1 The purposes of market research	identification of main features of a market: size, growth, competitors				
	identification of customer and consumer characteristics, profiles, wants and needs				
3.2.2 Primary research and secondary research	the distinction between primary research and secondary research, and the main features of each				
	usefulness of data collected using primary research methods				
	usefulness of data collected from secondary research sources				
3.2.3 Sampling	the need for and limitations of sampling				
3.2.4 Market research data	the reliability of the data collected				
	analysis of quantitative and qualitative data				
	interpretation of information presented in tables, charts and graphs				
3.3 The marketing mix					
3.3.1 The elements of the marketing mix (the 4Ps	the 4Ps: Product, Price, Promotion, Place (distribution channels)				
3.3.2 Product	the difference between goods and services				
	tangible and intangible attributes of products				
	the importance of product development				
	product differentiation and unique selling point (USP)				

Topic	You should be able to understand	R	A	G	Comments
3.3.3 Product portfolio analysis	product life cycle and decisions about extension strategies				
	Boston Matrix analysis and its uses				
	impact of product portfolio analysis on marketing decisions				
3.3.4 Pricing methods	objectives and usefulness of different pricing methods: competitive, penetration, skimming, price discrimination, dynamic, cost-based and psychological				
3.3.5 Promotion methods	the objectives and usefulness of different promotion methods				
	advertising promotion				
	sales promotion				
	direct promotion				
	developments in digital promotion				
	the role of packaging in promotion				
	the role of branding in promotion				
3.3.6 Place (channels of distribution)	the objectives and usefulness of different channels of distribution				
	digital and physical distribution				

4. Operations management (AS Level)

Topic	You should be able to understand	R	A	G	Comments
4.1 The nature of operations					
4.1.1 The transformational process	the use of factors of production: land, labour, capital and enterprise				
	the stages of the transformational process: inputs to outputs				
	the contribution of operations to added value				
4.1.2 Efficiency, effectiveness, productivity and sustainability	the importance of efficiency, effectiveness, productivity and sustainability				
	measurement of labour productivity				
	the impact on a business of measures to improve sustainability of operations				
4.1.3 Capital intensive and labour intensive operations	the benefits and limitations of capital intensive operations				
	the benefits and limitations of labour intensive operations				
4.1.4 Operations methods: job, batch, flow, mass customisation	differences between methods – advantages and disadvantages of each method				
	the problems of changing from one method to another				
4.2 Inventory management					
4.2.1 Managing inventory	the purpose of inventory within a business (raw materials, work in progress, finished products)				
	the costs and benefits of holding inventory				
	buffer inventory, re-order level and lead time				
	interpretation of simple inventory control charts				
	the importance of Supply Chain Management				

Topic	You should be able to understand	R	A	G	Comments
4.2.2 Just in Time (JIT)	the purpose of JIT and JIC (Just in Case) inventory management				
	the impact of adopting a JIT approach on a business				
4.3 Capacity utilisation and outsourcing					
4.3.1 Significance and measurement of capacity utilisation	the measurement of capacity utilisation				
	the impact of operating under or over maximum capacity on a business				
	methods of improving capacity utilisation				
4.3.2 Outsourcing	the impact of outsourcing on a business				

5. Finance and accounting (AS Level)

Topic	You should be able to understand	R	A	G	Comments
5.1 Business finance					
5.1.1 The need for business finance	reasons why businesses need finance to start up, to grow and to survive				
	the distinction between short and long term need for finance				
	the difference between cash and profits				
	business failure as a consequence of lack of finance: bankruptcy, liquidation and administration				
5.1.2 Working capital	the meaning and importance of working capital				
	managing trade receivables and trade payables				
	the distinction between capital expenditure and revenue expenditure				

Topic	You should be able to understand	R	A	G	Comments
5.2 Sources of finance					
5.2.1 Business ownership and sources of finance	the relationship between the form of business ownership and availability of sources of finance				
5.2.2 Internal and external sources of finance	internal sources of finance: owners investment, retained earnings, sale of unwanted assets, sale and leaseback of non-current assets, working capital				
	external sources of finance: share capital, debentures, new partners, venture capital, bank overdrafts, leasing, hire purchase, bank loans, mortgages, debt factoring, trade credit, micro-finance, crowd funding and government grants				
5.2.3 Factors affecting the sources of finance	the factors influencing the choice of sources of finance in a given situation: cost, flexibility, need to retain control, the use to which it is put, level of existing debt				
5.2.4 Selecting the source of finance	the appropriateness of each possible source in a given situation				
5.3 Forecasting and managing cash flows					
5.3.1 Cash flow forecasts	the meaning and purpose of cash flow forecasts				
	the interpretation and amendment of simple cash flow forecasts: calculating opening and closing balances				
	different methods of improving cash flow				
5.4 Costs					
5.4.1 Cost information	the need for accurate cost information				
	different types of costs: fixed, variable, direct and indirect				

Topic	You should be able to understand	R	A	G	Comments
5.4.2 Approaches to costing: full, contribution	the differences between full and contribution costing				
	the uses and limitations of the full costing method				
	the nature of the technique of contribution costing				
	the difference between contribution and profit				
	the limitations of contribution costing				
	situations in which contribution costing would be and would not be used				
5.4.3 Uses of cost information	cost information for decision-making purposes, e.g. average, marginal, total costs				
	how costs can be used for pricing decisions				
	how costs can be used to monitor and improve business performance, including using cost information to calculate profits				
	contribution costing as a means to help make special order decisions				
5.4.4 Break-even analysis	the meaning and importance of break-even analysis				
	calculation and interpretation of break-even level of output, contribution, margin of safety and level of profit (in numeric and graphic form)				
	the uses and limitations of break-even analysis				
5.5 Budgets					
5.5.1 The meaning and purpose of budgets	the measurement of performance				
	the benefits and drawbacks from the use of budgets				

Topic	You should be able to understand	R	A	G	Comments
	the meaning and use of incremental budgets, flexible budgets and zero budgeting				
	the uses of budgets for measuring performance, allocating resources, controlling and monitoring a business				
5.5.2 Variances	the meaning of adverse variances and favourable variances				
	the calculation and interpretation of variances				

6. Business and its environment (A Level)

Topic	You should be able to understand	R	A	G	Comments
6.1 External influences on business activity					
6.1.1 Political and legal	the advantages and disadvantages of privatisation in a given situation				
	the advantages and disadvantages of nationalisation in a given situation				
	how a government might use the law to seek to control: employment practices, conditions of work (including health and safety), wage levels, marketing behaviour, competition, location decisions, particular goods and services				
	the impact of changes in political and legal factors on business and business decisions				
6.1.2 Economic	how government might intervene to help businesses and encourage enterprise				
	how government might intervene to constrain business activity				
	how government might deal with market failure				
	the key macroeconomic objectives of governments: low unemployment, low inflation, economic growth				

Topic	You should be able to understand	R	A	G	Comments
	how macroeconomic objectives and performance of an economy can have an impact on business activity				
	government policies used to achieve macroeconomic objectives: monetary, fiscal, supply-side and exchange rate policies				
	the impact of changes in these government policies on business and business decisions				
6.1.3 Social and demographic	the impact of and issues associated with corporate social responsibility (CSR), e.g. accounting practices, paying incentives for the award of contracts, social auditing				
	why businesses need to consider the needs of the community including pressure groups				
	demographic changes at a local, national and global level				
	the impact of social and demographic change on business and business decisions				
6.1.4 Technological	the impact of technological change on business and business decisions				
6.1.5 Competitors and suppliers	the impact of competitors and suppliers on business and business decisions				
6.1.6 International	the importance of international trading links and their impact on business and business decisions				
	how international trade agreements might have an impact on businesses				
	the role of technology in international trade				
	the advantages and disadvantages that a multinational might bring to a country				
	relationships between multinationals and governments				
6.1.7 Environmental	how physical environmental issues might influence business behaviour				

Topic	You should be able to understand	R	A	G	Comments
	how a business and its stakeholders may use an environmental audit				
	the impact of the growing importance of sustainability on business and business decisions				
6.2 Business strategy					
6.2.1 Developing business strategy	the meaning and purpose of business strategy				
	the meaning and purpose of strategic management: analysis, choice and implementation				
	approaches to develop business strategy, including: • blue ocean strategy • scenario planning • SWOT analysis • PEST analysis • Porter's five forces • core competence framework • Ansoff matrix • force field analysis • decision trees				
6.2.2 Corporate planning and implementation	the meaning and importance of corporate planning				
	the meaning of corporate culture and its impact on business decision-making				
	the meaning and importance of transformational leadership				
	the management and control of strategic change				
	the meaning and importance of contingency planning and crisis management				

7. Human resource management (A Level)

Topic	You should be able to understand	R	A	G	Comments
7.1 Organisational structure					
7.1.1 The relationship between business objectives and organisational structure	the purpose and attributes of an organisational structure such as flexibility, meeting the needs of the business, allowing for growth and development and encouraging intrapreneurship				
7.1.2 Types of structure: functional, hierarchical (flat and narrow), matrix	the advantages and disadvantages of the different types of structure				
	why some organisations are structured by product and others by function or geographical area				
	the reasons and ways structures change e.g. due to growth or delayering				
	the features of a formal structure: levels of hierarchy, chain of command, span of control, responsibility, authority, delegation, accountability, centralised, decentralised				
7.1.3 Delegation and accountability	the relationship between delegation and accountability				
	the processes of accountability in a business				
	the impact of delegation on a business				
7.1.4 Control, authority and trust	relationship between span of control and levels of hierarchy				
	the difference between authority and responsibility				
	the conflicts between control and trust that might arise when delegating				
7.1.5 Centralisation and decentralisation	the impact of centralisation and decentralisation on a business				
7.1.6 Line and staff	examples of and distinctions between line and staff functions and the conflicts between them				

Topic	You should be able to understand	R	A	G	Comments
7.2 Business communication					
7.2.1 Purposes of communication	situations in which communication is essential				
7.2.2 Methods of communication	the standard methods of communication used in business: spoken, written, electronic, visual				
	the strengths and weaknesses of the different methods of communication				
7.2.3 Channels of communication	how communication works within a business				
	the difference between one- and two-way communication; the difference between vertical and horizontal communication				
	problems associated with different channels of communication				
7.2.4 Barriers to communication	barriers to communication and how to overcome them				
7.2.5 The role of management in facilitating communication	the role of informal communications within a business				
	ways in which communication can influence the efficiency of a business				
	ways of improving communication in a given situation				
7.3 Leadership					
7.3.1 Leadership	the purpose of leadership				
	leadership roles in business (directors, managers, supervisors, worker representatives)				
	the qualities of a good leader				
7.3.2 Theories of leadership	key leadership theories: trait, behavioural, contingency, power and influence and transformational				

Topic	You should be able to understand	R	A	G	Comments
7.3.3 Emotional intelligence/emotional quotient (EQ)	Goleman's four competencies of emotional intelligence: self-awareness, social awareness, self-management and social skills				
7.4 Human resource management (HRM) strategy					
7.4.1 Approaches to human resource management (HRM)	the difference between 'hard' and 'soft' HRM				
	flexible working contracts: advantages and disadvantages of temporary contracts or flexible contracts including zero hours contracts, part-time, full-time, annualised hours, flexi-time, home working, shift working, job sharing, compressed working hours, the gig economy				
	the measurement, causes and consequences of poor employee performance				
	strategies for improving employee performance				
	Management by Objectives (MBO) – implementation and usefulness				
	the changing role of Information Technology (IT) and Artificial Intelligence (AI) in HRM				

8. Marketing (A Level)

Topic	You should be able to understand	R	A	G	Comments
8.1 Marketing analysis					
8.1.1 Elasticity	the concept of elasticity of demand: price, income and promotional				
	calculation of price, income and promotional elasticity of demand				
	interpretation of elasticity results				
	the impact of elasticity measures on business decisions				
	the limitations of the concept of elasticity in its various forms				

Topic	You should be able to understand	R	A	G	Comments
8.1.2 Product development	the process of product development				
	sources of new ideas for product development				
	the importance of Research and Development (R&D)				
8.1.3 Sales forecasting	the need to forecast sales				
	time series analysis: calculation and use of four period centred moving average method to forecast sales				
	qualitative sales forecasting				
	the impact of sales forecasting on business decisions				
8.2 Marketing strategy					
8.2.1 Planning the marketing strategy	the contents of a marketing plan: objectives, resources, research, marketing mix				
	the benefits and limitations of marketing planning				
8.2.2 Approaches to marketing strategy	the need for the marketing strategy to be consistent with the business, the product and the market				
	the need for and development of a coordinated marketing strategy				
	the development of marketing strategies that are focused towards achieving specific marketing objectives				
	the changing role of Information Technology (IT) and Artificial Intelligence (AI) in marketing				
8.2.3 Strategies for international marketing	the implications for marketing of increased globalisation and economic collaboration				
	the importance of international marketing for a business				

Topic	You should be able to understand	R	A	G	Comments
	international markets – identification, selection and entry				
	whether a business in a given situation should develop an international market through pan-global marketing or maintain local differences				
	choosing a strategy, in a given situation, to develop a global market				
	the factors influencing the method of entry into international markets				

9. Operations management (A Level)

Topic	You should be able to understand	R	A	G	Comments
9.1 Location and scale					
9.1.1 Location	the factors that determine location and relocation				
	the differences between local, national and international location decisions				
	the reasons for and impact of offshoring and reshoring				
	the impact of globalisation on location and relocation decisions				
9.1.2 Scale of operations	the factors that influence the scale of a business				
	causes and examples of internal and external economies and diseconomies of scale				
	the links between economies and diseconomies of scale and unit costs				
9.2 Quality management					
9.2.1 Quality control and quality assurance	quality in terms of meeting customer expectations				
	the importance of quality				

Topic	You should be able to understand	R	A	G	Comments
	the impact of methods of quality control on a business				
	the impact of methods of quality assurance on a business				
	the impact of Total Quality Management (TQM) on a business				
9.2.2 Benchmarking	the importance of benchmarking in quality management				
9.3 Operations strategy					
9.3.1 Operational decisions	the influence of human, marketing and finance resource availability on operations decisions				
	the changing role of Information Technology (IT) and Artificial Intelligence (AI) in operations management				
9.3.2 Flexibility and innovation	the need for flexibility with regard to volume, delivery time and specification				
	process innovation: changing current processes or adopting new ways of producing products or delivering services				
9.3.3 Enterprise resource planning (ERP)	the main features of an ERP programme				
	how ERP can improve a business' efficiency in relation to: inventory control, costing and pricing, capacity utilisation, responses to change, workforce flexibility, management information				
9.3.4 Lean production	the aims and purposes of lean production				
	Kaizen, quality circles, simultaneous engineering, cell production, JIT manufacturing and waste management as operational strategies to achieve lean production				
	the limitations of operational strategies to achieve lean production				

Topic	You should be able to understand	R	A	G	Comments
	the links between lean production and inventory control, quality, employees roles, capacity management and efficiency				
9.3.5 Operations planning	the need for planning operations				
	network diagrams as tools to plan operations				
	the main elements of a network diagram: activities, dummy activities, nodes				
	network diagrams as means of performing Critical Path Analysis (CPA), including identification of the minimum project duration and the critical path, calculation of total and free float, interpretation of the results of the analysis of a network, how minimum duration and floats might be used in project management				
	the benefits and limitations of CPA as a management tool				

10. Finance and accounting (A Level)

Topic	You should be able to understand	R	A	G	Comments
10.1 Financial statements					
10.1.1 Statement of profit or loss	the meaning and purpose of the statement of profit or loss				
	the contents of a statement of profit or loss: revenue, cost of sales, gross profit, expenses, profit from operations (operating profit), taxation, profit for the year, dividends, retained earnings				
	amendment of a statement of profit or loss				
	the impact on the statement of profit or loss a given change				
10.1.2 Statement of financial position	the meaning and purpose of statement of financial position				

Topic		You should be able to understand	R	A	G	Comments
	the contents of a statement of financial position including non-current assets, current assets, current liabilities, net current assets, net assets, non-current liabilities, reserves and equity					
	amendment of a statement of financial position					
	the relationships between items in the statement of profit or loss and the statement of financial position					
10.1.3 Inventory valuation	the difficulties of valuing inventory					
	the net realisable value method					
10.1.4 Depreciation	the role of depreciation in the accounts					
	the impact of depreciation (straight-line method only) on the statement of financial position and the statement of profit or loss					
10.2 Analysis of published accounts						
10.2.1 Liquidity ratios	the meaning and importance of liquidity					
	current ratio: calculation and interpretation					
	acid test ratio: calculation and interpretation					
	methods of improving liquidity					
10.2.2 Profitability ratios	the meaning and importance of profitability					
	return on capital employed: calculation and interpretation					
	gross profit margin: calculation and interpretation					

Topic	You should be able to understand	R	A	G	Comments
	profit margin: calculation and interpretation				
	methods of improving profitability				
10.2.3 Financial efficiency ratios	the meaning and importance of financial efficiency				
	rate of inventory turnover: calculation and interpretation				
	trade receivables turnover (days): calculation and interpretation				
	trade payables turnover (days): calculation and interpretation				
	methods of improving financial efficiency				
10.2.4 Gearing ratio	the meaning and importance of gearing				
	gearing ratio: calculation and interpretation				
	methods of improving gearing				
10.2.5 Investment ratios	the meaning and importance of return to investors				
	dividend yield: calculation and interpretation				
	dividend cover: calculation and interpretation				
	price/earnings ratio: calculation and interpretation				
	methods of improving investor return				
10.3 Investment appraisal					
10.3.1 The concept of investment appraisal	the need for investment appraisal				

Topic	You should be able to understand	R	A	G	Comments
10.3.2 Basic methods: payback, accounting rate of return (ARR)	the meaning, calculation and interpretation of payback and ARR (ARR = (average profit/ average investment) × 100)				
10.3.3 Discounted cash flow method: net present value (NPV)	the meaning, calculation and interpretation of NPV				
10.3.4 Investment appraisal decisions	quantitative results and their impact on investment decisions				
	qualitative factors and their impact on investment decisions				
	comparison of investment appraisal methods, including their limitations				
10.4 Finance and accounting strategy					
10.4.1 The use of accounting data to enable strategic decision making	the use of financial statements in developing strategies				
	the contents of an annual report and their usefulness to business and other stakeholders				
10.4.2 The use of accounting data and ratio analysis in strategic decision-making	assessment of business performance over time and against competitors				
	the impact of accounting data including ratio results on business strategy				
	the impact of debt or equity decisions on ratio results				
	the impact of changes in dividend strategy on ratio results				
	the impact of business growth on ratio results				
	the impact of other business strategies on ratio results				
	the limitations of using published accounts and ratio analyses				

7. Useful websites

The websites listed below are useful resources to help you study for your Cambridge International AS and A Level Business.

Cambridge Assessment International Education is not responsible for the accuracy or content of information contained in these sites. The inclusion of a link to an external website should not be understood to be an endorsement of that website or the site's owners (or their products/services).

The website pages referenced in this guide of work were selected when the guide was produced. Other aspects of the sites were not checked and only the particular resources are recommended.

www.tutor2u.net/business

Tutor2U

A website full of useful resources, videos and activities that covers most of the AS and A Level Business content and skills.

www.youtube.com/channel/UCIIJ4pk3uzyWoeoBkGs0hxQ/featured

Taking the biz

Video tutorials on Business topics.

www.bbc.co.uk/programmes/b006sz6t

BBC – the bottom line

Radio programme and podcasts discussing real business issues.

www.thestudentroom.co.uk/revision/business-studies/

The student room

Website with activities and worksheets on various Business topics.

www.economist.com/

The Economist

Website with articles about the economy and business.

www.bbc.co.uk/news/business

BBC business news

Real business news stories.

<https://s-cool.co.uk/a-level/business-studies>

S-cool

A website full of resources and activities for A Level business.

Cambridge Assessment International Education
The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA, United Kingdom
t: +44 1223 553554
e: info@cambridgeinternational.org www.cambridgeinternational.org

Copyright © UCLES 2021 (updated November 2023)