

Syllabus

Cambridge International A & AS Level

Business Studies

Syllabus code 9707

For examination in June and November 2012



UNIVERSITY *of* CAMBRIDGE
International Examinations

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1. Introduction

1.1 Why choose Cambridge?

University of Cambridge International Examinations (CIE) is the world's largest provider of international qualifications. Around 1.5 million students from 150 countries enter Cambridge examinations every year. What makes educators around the world choose Cambridge?

Recognition

A Cambridge International A or AS Level is recognised around the world by schools, universities and employers. The qualifications are accepted as proof of academic ability for entry to universities worldwide, though some courses do require specific subjects. Cambridge International A Levels typically take two years to complete and offer a flexible course of study that gives students the freedom to select subjects that are right for them. Cambridge International AS Levels often represent the first half of an A Level course but may also be taken as a freestanding qualification. They are accepted in all UK universities and carry half the weighting of an A Level. University course credit and advanced standing is often available for Cambridge International A/AS Levels in countries such as the USA and Canada. Learn more at www.cie.org.uk/recognition.

Support

CIE provides a world-class support service for teachers and exams officers. We offer a wide range of teacher materials to Centres, plus teacher training (online and face-to-face) and student support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from CIE Customer Services. Learn more at www.cie.org.uk/teachers.

Excellence in education

Cambridge qualifications develop successful students. They not only build understanding and knowledge required for progression, but also learning and thinking skills that help students become independent learners and equip them for life.

Not-for-profit, part of the University of Cambridge

CIE is part of Cambridge Assessment, a not-for-profit organisation and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

1. Introduction

1.2 Why choose Cambridge International A & AS Level Business Studies?

Cambridge International A Level & AS Level Business Studies are accepted by universities and employers as proof of essential knowledge and ability.

The Business Studies syllabus enables candidates to understand and appreciate the nature and scope of business, and the role business plays in society.

The syllabus covers economic, environmental, ethical, governmental, legal, social and technological issues, and encourages a critical understanding of organisations, the markets they serve and the process of adding value. Candidates examine the management of organisations and, in particular, the process of decision-making in the context of a dynamic external environment.

1.3 Cambridge Advanced International Certificate of Education (AICE)

Cambridge AICE is the group award of Cambridge International Advanced Supplementary Level and Advanced Level (AS Level and A Level).

Cambridge AICE involves the selection of subjects from three curriculum areas – Mathematics and Science; Languages; Arts and Humanities.

An A Level counts as a double-credit qualification and an AS Level as a single-credit qualification within the Cambridge AICE award framework. Half-credits are also available in English Language and Literature in English and may be combined to obtain the equivalent of a single credit.

To be considered for an AICE Diploma, a candidate must earn the equivalent of six credits by passing a combination of examinations at either double credit or single credit, with at least one course coming from each of the three curriculum areas.

The examinations are administered in May/June and October/November sessions each year. A candidate working towards the Cambridge AICE Diploma may use up to three sessions to take the equivalent of six credits as long as they are taken within a 13-month period.

Business Studies falls into Group C, Arts and Humanities.

Learn more about AICE at <http://www.cie.org.uk/qualifications/academic/uppersec/aice>.

1. Introduction

1.4 How can I find out more?

If you are already a Cambridge Centre

You can make entries for this qualification through your usual channels, e.g. CIE Direct. If you have any queries, please contact us at **international@cie.org.uk**.

If you are not a Cambridge Centre

You can find out how your organisation can become a Cambridge Centre. Email us at **international@cie.org.uk**. Learn more about the benefits of becoming a Cambridge Centre at **www.cie.org.uk**.

2. Assessment at a glance

Cambridge International A & AS Level Business Studies Syllabus code 9707

Centres and candidates may choose to:

- Take all A and AS components at one exam session, leading to the full Advanced Level qualification (Papers 1, 2 and 3) or
- Take the AS components (Papers 1 and 2) at one exam session and, having received the AS qualification, take the additional A2 component (Paper 3) at a later session, leading to the full Advanced Level qualification or
- Take the AS components only (Papers 1 and 2) at one exam session, leading to the Advanced Subsidiary qualification.

Paper	Weighting	
	AS Level	A Level
Paper 1 (Based on Core topics) 1 hour 15 mins Section A: 4 short answer questions Section B: Essay on Core curriculum (1 from a choice of 3 questions)	20% 20%	10% 10%
Paper 2 (Based on Core topics) 1 hour 30 mins 2 data response questions	60%	30%
Paper 3 (Based on Core + Extension topics) 3 hours Case study: 5 questions + 1 essay (from a choice of 2)	–	50%

Availability

This syllabus is examined in the May/June examination session and the October/November examination session.

This syllabus is available to private candidates.

Centres in the UK that receive government funding are advised to consult the CIE website www.cie.org.uk for the latest information before beginning to teach this syllabus.

2. Assessment at a glance

Combining this with other syllabuses

Candidates can combine this syllabus in an examination session with any other CIE syllabus, except:

- syllabuses with the same title at the same level
- 9756 A Level H2 Management of Business (Singapore)
- 9771 Pre-U Business and Management

3. Syllabus aims and objectives

3.1 Aims of the syllabus

The syllabus is intended to encourage candidates to:

1. Understand and appreciate the nature and scope of business, and the role of business in society.
2. Develop 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.
3. Be aware that business behaviour can be studied from the perspective of a range of stakeholders including customer, manager, creditor, owner/shareholder and employee.
4. Be aware of the economic, environmental, ethical, governmental, legal, social and technological issues associated with business activity.
5. Develop skills in:
 - decision-making and problem solving in the light of evaluation;
 - the quantification and management of information, where appropriate;
 - effective communication.

The emphasis should be on the *application* of concepts and issues to the local context (i.e. the candidate's own country), where appropriate.

3. Syllabus aims and objectives

3.2 Assessment objectives

Candidates are expected to demonstrate the following skills:

AO1: **Knowledge and critical understanding** of the specified content.

AO2: **Application** of this knowledge and understanding to problems and issues which are from both familiar and unfamiliar situations.

AO3: **Analysis** of problems, issues and situations by

- distinguishing between statements of fact, statements of value and hypothetical statements;
- making valid inferences from material presented;
- examining the implications of a hypothesis;
- organising ideas;
- making valid generalisations.

AO4: **Evaluation** of reliability of material, checking that conclusions drawn are consistent with given information and discriminating between alternative explanations, and assessing the role of the main concepts and models in business analysis.

Specification Grid

The marks available for each group of skills are as follows:

	Knowledge and critical understanding	Application	Analysis	Evaluation	Total
Paper 1	12 ± 4	12 ± 4	8 ± 4	8 ± 4	40
Paper 2	18 ± 4	18 ± 4	12 ± 4	12 ± 4	60
Paper 3	20 ± 4	20 ± 4	30 ± 4	30 ± 4	100

4. Curriculum content

Candidates for Advanced Subsidiary Level should study the Core syllabus only.

Candidates for Advanced Level should study the Core syllabus and the Extended syllabus.

No previous study of the subject is assumed. The table below presents the content at a glance.

	Core topics	Extension topics
	<i>All candidates study these topics:</i>	<i>A Level candidates also study:</i>
1. Business and its environment	<ul style="list-style-type: none"> Enterprise Business structure Size of business Business objectives Stakeholders in a business 	<ul style="list-style-type: none"> Business structure Size of business External influences on business activity
2. People in organisations	<ul style="list-style-type: none"> Management and leadership Motivation Human resource management 	<ul style="list-style-type: none"> Human resource management Organisation structure Business communication
3. Marketing	<ul style="list-style-type: none"> What is marketing? Market research The marketing mix 	<ul style="list-style-type: none"> Marketing planning Globalisation and international marketing
4. Operations and project management	<ul style="list-style-type: none"> The nature of operations Operations planning Inventory management 	<ul style="list-style-type: none"> Operations planning Capacity utilisation Lean production and quality management Project management
5. Finance and accounting	<ul style="list-style-type: none"> The need for business finance Sources of finance Forecasting cash flows and managing working capital Costs Accounting fundamentals 	<ul style="list-style-type: none"> Costs Budgets Contents of published accounts Analysis of published accounts Investment appraisal
6. Strategic management	<i>[No topics at AS Level]</i>	<ul style="list-style-type: none"> What is strategic management? Strategic analysis Strategic choice Strategic implementation

4. Curriculum content

1. Business and its environment

This section is concerned with understanding of the purpose and nature of business activity and the factors that influence and constrain business behaviour and decisions. It provides the basic framework around which the other sections of the syllabus are developed. It also provides a means for integrating business activities, which should always be seen as a whole rather than as individual parts. Central to the understanding of Business and its environment is the idea that the world in which business operates is constantly changing and this requires businesses, if they are to be successful, to adapt and respond to these changes.

2. People in organisations

This section focuses on the significance of different management approaches in relation to managing people at work. Contrasting management ideas are analysed, and the different organisation structures a business can adopt are assessed. Candidates should gain an understanding of opportunities and constraints in relation to managing people in organisations. The central role of the management of people in helping business achieve efficiency and competitiveness should be emphasised. Teaching can use local employment conditions, working practices and employment laws as supporting material. Country-specific details will not be examined, because what is important is an understanding of the main concepts involved in the management of people and how they relate to a business.

3. Marketing

This section develops an understanding of the importance of Marketing to businesses and how it influences their competitiveness. Knowledge of marketing principles and techniques is then used to analyse situations and solve problems. The relationship between Marketing and other business functions is important. Marketing should be seen as one strand of business decisions which are likely to also have an impact on other functional areas, such as finance and human resource management. These areas will have an impact on marketing decisions too, such as restricting marketing budgets and controls which limit such areas as advertising. Central to the understanding of marketing is the role and influence of the customer, the importance of market research and the need for an integrated marketing mix as a tool to achieve marketing objectives.

4. Operations and project management

Operations management is the discipline of how resources are managed to achieve efficient *on-going* production/provision of goods and services. Project management is the discipline of planning, organising and managing resources to bring about the successful completion of *one-off* projects. The curriculum promotes understanding of operational and project decisions in managing a business in primary, secondary and tertiary sectors. Operations and project management decisions should be linked with other functional areas of a business, such as marketing and people. It can usefully be taught alongside marketing, since many of the ideas are inter-linked. Operations and project decisions should be seen in the context of the other factors influencing a business, such as available finance, impact on employees and external factors. Although operations management is often seen in the context of manufacturing processes, the ideas apply equally well in *services* such as retailing.

4. Curriculum content

5. Finance and accounting

This section introduces candidates to the importance of the management of finance, the keeping of and analysis of accounts, and the assessment of businesses financial performance. Finance and accounting should be seen in the context of business owners/managers/investors making decisions, rather than from the perspective of the accountant. So, for example, it is the *use* of accounting information to decision makers that is stressed, not the actual construction of accounting statements.

6. Strategic management

The aim in this section is to emphasise the integrated nature of strategic business decisions and the ways businesses implement strategic change successfully. Business strategy is concerned with the key decisions that need to be made by businesses of all sizes to survive and succeed in the long term. Strategic management is, therefore, the management of the long term activities of a business, and this includes the careful integration of: strategic analysis (where is the business now?), strategic choice (identifying and deciding between options) and strategic implementation (planning for and managing change).

4. Curriculum content

4.1 Core syllabus

1AS: Business and its environment

The AS Level material has its emphasis on an understanding of key concepts and their application to business situations, although some analysis of some issues is expected together with evaluation. Emphasis should be on the importance of enterprise, business objectives/structure/size and stakeholders. All sizes of businesses should be considered (including multinationals). The word 'environment' is used here in its broadest sense, i.e. not just the physical environment.

1AS.1 Enterprise

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|---|---|
| <ul style="list-style-type: none">• The nature of business activity | <ul style="list-style-type: none">• Purpose of business activity• The concept of adding value• The nature of economic activity, the problem of choice and opportunity cost• Business environment is dynamic• What a business needs to succeed• Why many businesses fail early on |
| <ul style="list-style-type: none">• The role of the entrepreneur | <ul style="list-style-type: none">• Qualities an entrepreneur is likely to need for success• The role of business enterprise in the development of a business and a country |
| <ul style="list-style-type: none">• Social enterprise | <ul style="list-style-type: none">• The range and aims of social enterprises• Triple bottom line – economic (financial), social and environmental targets |

1AS.2 Business structure

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| <ul style="list-style-type: none">• Economic sectors | <ul style="list-style-type: none">• Primary, secondary and tertiary sector businesses• The public and private sectors |
| <ul style="list-style-type: none">• Legal structures | <ul style="list-style-type: none">• Main features of different types of legal structure, including ability to raise finance• Appropriateness of legal structure: sole trader, partnership, private limited companies, public limited companies, franchises, co-operatives• Concept of limited liability and its importance• Problems resulting from changing from one legal structure to another |

4. Curriculum content

1AS.3 Size of business	
<ul style="list-style-type: none"> • Measurements of business size • Significance of small businesses 	<ul style="list-style-type: none"> • Different methods of measuring the size of a business • Advantages and disadvantages of being a small business • 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 industry structure in some industries
<ul style="list-style-type: none"> • Internal growth 	<ul style="list-style-type: none"> • Why and how a business might grow internally
1AS.4 Business objectives	
<ul style="list-style-type: none"> • Business objectives in the private and sector public sectors 	<ul style="list-style-type: none"> • The nature and importance of business objectives at corporate, departmental and individual levels • Corporate responsibility as a business objective • Relationship between mission statement, objectives, strategy and tactics
<ul style="list-style-type: none"> • Objectives and business decisions 	<ul style="list-style-type: none"> • 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 • Translation of objectives into targets and budgets • The communication of objectives and their likely impact on the workforce • How ethics may influence business objectives and activities
1AS.5 Stakeholders in a business	
	<ul style="list-style-type: none"> • Groups involved in business activity • Roles, rights and responsibilities of the stakeholders • Impact of business decisions/actions on stakeholders, and their reactions • How and why a business needs to be accountable to its stakeholders • How conflict might arise from stakeholders having different aims • How changing business objectives might affect its stakeholders

4. Curriculum content

2AS: People in organisations

At AS Level the emphasis is on understanding and applying the concepts of people in organisations, with some analysis and evaluation of related problems. The significance of different organisational structures should be understood. The role of various management, leadership and motivation theories should be developed in a practical way. Knowledge of specific national laws and regulations applying to conditions of work is not required.

2AS.1 Management and leadership

<ul style="list-style-type: none"> • Management and managers • Leadership • Choice of leadership style • Emotional Intelligence (EQ) 	<ul style="list-style-type: none"> • The functions of management, including Mintzberg's roles of management • Functions, roles and styles • The purpose of leadership • Leadership roles in business (directors, managers, supervisors, worker representatives) • Qualities of a good leader • Leadership styles: autocratic, democratic, laissez faire • McGregor's leadership styles • Goleman's four competencies of emotional intelligence: self-awareness, social awareness, self-management and social skills
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2AS.2 Motivation

<ul style="list-style-type: none"> • Motivation as a tool of management and leadership • Human needs • Motivation theories • Motivation methods in practice: financial motivators, non-financial motivators 	<ul style="list-style-type: none"> • The need to motivate employees to achieve the objectives of a business • A simple explanation of human need • How human needs may or may not be satisfied at work • Ideas of the main content theorists (Maslow, Taylor, Mayo, Herzberg) and process theorists (McClelland, Vroom) • The theories in practical situations • Different payment methods (salary, piece rates, commission, bonuses, performance related pay) • Different types of non-financial motivators (training, induction, opportunities for promotion, development, status, job re-design, team working, empowerment, job enrichment, participation, job rotation, perks) • Ways in which employees can participate in the management and control of business activity
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4. Curriculum content

2AS.3 Human resource management (HRM)	
<ul style="list-style-type: none">• Purpose and roles of HRM• Recruitment and selection• Job descriptions, person specifications, job advertisements• Employment contracts• Disciplinary procedures• Redundancy and dismissal• Staff morale and welfare• Staff training	<ul style="list-style-type: none">• The role of HRM in meeting organisation objectives: recruitment, selection, training, induction, advice, guidance, workforce planning• Labour turnover, methods of recruitment and selection• Purposes of job descriptions, person specifications and job advertisements• Main features of a contract of employment• The importance of disciplinary procedures• Difference between redundancy and dismissal• Relationship between HRM, staff morale and welfare in a business• The purpose of staff development/training as a means of securing required skills and motivating the workforce

4. Curriculum content

3AS: Marketing

The AS Level involves the development of knowledge and application of that knowledge to business situations with some analysis and evaluation of marketing problems. There is an emphasis on the process of finding and satisfying customers, with the focus also on how marketing objectives can be met by understanding, applying and adapting the marketing mix.

3AS.1 What is marketing?

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| <ul style="list-style-type: none">• Role of marketing and its relationship with other business activities• Supply and demand• Features of markets: location, size, share, competitors, growth• Industrial and consumer markets• Niche versus mass marketing• Segmentation methods | <ul style="list-style-type: none">• The link between marketing objectives and corporate objectives• Marketing objectives• Factors influencing the supply and demand for the products/services of a business• Interactions between price, supply and demand• How markets may differ: such as consumer/producer markets; national, regional and international markets• Difference between product and customer orientation• Problems associated with measuring market share and market growth• Implications of changes in market share and growth• Classification of products• How marketing might differ for different types of goods and services• Product differentiation and USP (Unique Selling Point)• Tactics such as mass versus niche marketing, market segmentation, product differentiation and portfolio analysis as ways of achieving marketing objectives |
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4. Curriculum content

3AS.2 Market research	
<ul style="list-style-type: none">• Primary and secondary research• Methods of information gathering• Sources of information• Sampling methods• Market research results• Cost effectiveness	<ul style="list-style-type: none">• Purpose of market research in determining customer characteristics, wants and needs• Distinction between primary and secondary research, desk and field research, and the main features of each• Printed, paid for and web based sources of information• Random, stratified and quota sampling; the appropriateness of each to given situations• Limitations of sampling• The reliability of data collection• Analysis of results obtained from market research• Presentation of information• Cost effectiveness of market research in given situations (treated descriptively)

4. Curriculum content

3AS.3 The marketing mix	
<ul style="list-style-type: none">• The elements of the marketing mix (the 4Ps)• The role of the customer (the 4Cs)• Product• Product Life Cycle• Types of pricing strategies• Price elasticity of demand• Promotion methods• Channels of distribution• Using the Internet for the 4Ps/4Cs• Consistency in the marketing mix	<ul style="list-style-type: none">• The 4Ps: Product, Price, Promotion, Place (distribution channels) [Note: some textbooks have 5Ps, 7Ps or 8Ps, but they all carry similar ideas]• The relationship between the customer and the business (the 4Cs): Customer solution, Cost to customer, Communication with customer, Convenience to customer• Ways in which customer relations can be improved• How the 4Cs relate to the 4Ps• Goods, services and products that are a blend of both• Recognising the product as a bundle of tangible and intangible attributes• The importance of product development• How Product Life Cycle stage influences marketing activities• Decisions about extension strategies• Use and value of alternative pricing strategies including competitive, penetration, skimming, price discrimination, cost-based pricing• Determining price elasticity of demand and suitable prices• Above the line and below the line promotion• Types of packaging• Branding as part of product/promotion• Choosing between alternative types of channel of distribution• Online advertising, catalogues, sales, dynamic pricing, distribution (download of digital products)• The need for the marketing mix to be consistent with the business, the product type and the market

4. Curriculum content

4AS: Operations and project management

At AS Level, the emphasis is on understanding and applying the concepts of Operations Management, with some analysis and evaluation of related problems. The emphasis is on the way organisations use inputs and manage business processes efficiently.

4AS.1 The nature of operations

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| <ul style="list-style-type: none">• Inputs, outputs and the transformation process• Effectiveness, efficiency and productivity• Value added• Capital versus labour intensity | <ul style="list-style-type: none">• Operations encompasses products and services• Process: from idea/need to final product/service• Resources: land, labour, capital (including intellectual capital)• Difference between effectiveness and efficiency• Productivity: measuring efficiency• How 'value added' is linked to marketing, the operations process and operations decisions• Benefits and limitations of capital and labour intensive processes |
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4AS.2 Operations planning

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| <ul style="list-style-type: none">• Operations decisions• Flexibility and innovation• Operations methods: job, batch, flow, mass customisation• Location• Scale of operation | <ul style="list-style-type: none">• The influence of marketing, availability of resources and technology (e.g. CAD and CAM) on operations decisions• The need for flexibility with regard to volume, delivery time and specification• Process innovation• Differences between methods – advantages and disadvantages of each method• Problems of changing from one method to another• Factors that determine (a) location and (b) relocation: geographic, demographic, legal, political, resources, infrastructure, marketing• Differences between local, regional, national, international location decisions• Factors that influence the scale of a business• Causes and examples of internal/external economies/diseconomies of scale• Links between economies of scale and unit costs |
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4. Curriculum content

4AS.3 Inventory management	
<ul style="list-style-type: none">• Purpose, costs and benefits of inventory• Managing inventory	<ul style="list-style-type: none">• Purpose of inventory within a business [raw materials, work in progress, finished products]• Costs and benefits of holding inventory• Buffer inventory, reorder level and lead time• Construction and interpretation of simple inventory control charts• Inventory control methods including buffer inventory and Just in Time (JIT) <p>[Note: While candidates should appreciate the need for inventory control and the general methods which may be employed, the mathematics of the methods will not be examined.]</p>

4. Curriculum content

5AS: Finance and accounting

At AS Level the emphasis is on finance, the sources of finance and a basic understanding of published accounts. Candidates will need to understand the concepts of finance and cash flow and apply these to practical situations. Analysis and evaluation of tactical solutions to finance and cash flow problems will be expected.

5AS.1 The need for business finance

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| <ul style="list-style-type: none"> • Start up capital, capital for expansion • Working capital | <ul style="list-style-type: none"> • Why businesses need finance to start up and to grow • Why different needs for finance might mean different sources are appropriate • The meaning and significance of working capital as a source of finance • Significance of the distinction between revenue and capital expenditure |
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5AS.2 Sources of finance

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| <ul style="list-style-type: none"> • Legal structure and sources of finance • Short term finance and long term finance • Internal sources • External sources • Factors influencing the sources of finance • Selecting the source of finance | <ul style="list-style-type: none"> • The relationship between the legal structure of a business and its sources of finance • Distinction between short and long term sources of finance • Internal sources of finance: retained profits, sale of assets, working capital • External sources of finance: share capital (including Stock Exchanges), venture capital, overdrafts, loans, mortgages, debentures, Government grants and loans, new partners • 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 • The appropriateness of each possible source in a given situation [excluding, at AS Level, the application of the gearing ratio] |
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4. Curriculum content

5AS.3 Forecasting cash flows and managing working capital	
<ul style="list-style-type: none">• Purposes of cash flow forecasts• Cash flow forecasts in practice• Methods of improving cash flow	<ul style="list-style-type: none">• Difference between cash and profits• The need to hold a suitable level of cash within a business, and the consequences of not doing so• Uses of cash flow forecasts• Construction of cash flow forecasts• Interpretation of simple cash flow forecasts from given data• Amendment of cash flow forecasts in the light of changes in business circumstances• How debtors, reducing costs and/or extending credit periods can improve cash flow• Further methods of improving cash flows: debt factoring, sale and leaseback, leasing• Recognition of situations in which the various methods of improving cash flow can be used
5AS.4 Costs	
<ul style="list-style-type: none">• Cost information• Uses of cost information• Break even analysis	<ul style="list-style-type: none">• The need for accurate cost data• Types of costs: fixed, variable, marginal; direct and indirect• Problems of trying to allocate costs in given situations• Cost information for decision making purposes e.g. average, marginal, total costs• How costs can be used for pricing decisions• How an analysis of costs can help in the calculation of payments for resources• How costs can be used to monitor and improve business performance, including using cost information to calculate profits• Determining the minimum level of production needed to break even or the profit made• Calculation of the margin of safety• Uses and limitations of breakeven analysis

4. Curriculum content

5AS.5 Accounting fundamentals	
<ul style="list-style-type: none">• Income statement• Balance sheet• Liquidity ratios• Profitability ratios• Practical use of ratio analysis• Main users of accounts• Limitations of published accounts	<ul style="list-style-type: none">• Contents of an income statement including: cost of sales, gross profit, profit (before tax) for the year, retained profit• Contents of a balance sheet including: non-current assets, current assets, current liabilities, working capital, net assets, non-current liabilities, reserves and equity• Acid test ratio, current ratio• Gross profit margin, net profit margin• How each of these ratios is used• Reasons for the results obtained• Ways that businesses might try to improve ratio results• Comparison of ratios results between businesses• Limitations of these accounting ratios• Identification of the kind of information that individual stakeholder groups might seek• Limitations of the usefulness of published accounts: historical, may not reflect the future, may be out of date, does not reflect qualitative aspects of a business, possibility of 'window dressing', may not have details of the performance of individual parts of a business• Distinction between financial and management accounting [N.B. Knowledge of specific Accounting Standards is not required. International accounting terminology will be used, e.g. income statement rather than profit and loss account – see Appendix.]

4. Curriculum content

4.2 Extended syllabus

1AL: Business and its environment

The A Level includes the content and skills of the AS Level. The aim at A Level is to use awareness of the key concepts to make decisions and develop plans of action that would allow a business to react positively to external changes. Some knowledge will be directly examined. Emphasis is on recognising the potential conflict between objectives, and the resolution of such conflicts. There should be an appreciation of the nature of the uncertain business environment and the development of business plans of action which aim to respond effectively to the changing business environment. Knowledge of country specific laws and customs are not required, since the emphasis is on understanding how businesses might have to change their behaviour when influenced by such constraints.

1AL.1 Enterprise

No topics beyond AS level.

1AL.2 Business structure

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|---|--|
| <ul style="list-style-type: none">• Local, national and multinational businesses• Multinationals• Privatisation/nationalisation• Public/private partnerships | <ul style="list-style-type: none">• Main differences between local, national and multinational businesses• The growing importance of international trading links and their impact on business activity• Benefits and disadvantages that a multinational might bring to a country• Possible relationships between multinationals and the state• Advantages and disadvantages of privatisation or nationalisation in a given situation• The nature of public/private partnerships including private finance initiatives (PFI) |
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1AL.3 Size of business

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|---|---|
| <ul style="list-style-type: none">• External growth | <ul style="list-style-type: none">• The different types of merger and takeover: horizontal, vertical (backward and forward), conglomerate, friendly merger, hostile takeover• Impact of a merger on the various stakeholders• Why a merger may or may not achieve objectives• The importance of joint ventures and strategic alliances as methods of external growth |
|---|---|

1AL.4 Business objectives

No topics beyond AS level.

4. Curriculum content

1AL.5 Stakeholders in a business

No topics beyond AS level.

1AL.6 External influences on business activity

- | | |
|--|--|
| <ul style="list-style-type: none">• Economic constraints and enablers | <ul style="list-style-type: none">• How the state might intervene to help businesses (small and large)• How the state might intervene to constrain businesses (small and large)• How the state might deal with market failure• The key macroeconomic objectives of governments: low unemployment, low inflation, stable exchange rates, growth, transfer of wealth• How these macroeconomic objectives can have an impact on business activity• How a government might place a different emphasis on macroeconomic objectives from time to time• Policy instruments used to achieve macroeconomic objectives e.g. monetary, fiscal and exchange rate policies• How changes in macroeconomic performance and policies may affect business behaviour• The impact of and issues associated with corporate social responsibility (CSR) e.g. accounting practices, paying incentives for the award of contracts |
| <ul style="list-style-type: none">• Political and legal | <ul style="list-style-type: none">• How the Government and the law might seek to control: employment, conditions of work (including health and safety), minimum wage, marketing behaviour, competition, location decisions, particular goods and services• How international agreements might have an impact on businesses |
| <ul style="list-style-type: none">• Technological (including the Internet) | <ul style="list-style-type: none">• Problems of introducing technological change |
| <ul style="list-style-type: none">• Other businesses | <ul style="list-style-type: none">• How businesses are constrained by and rely on other businesses |
| <ul style="list-style-type: none">• Social | <ul style="list-style-type: none">• Why businesses need to consider the needs of the community including pressure groups |
| <ul style="list-style-type: none">• Demographic | <ul style="list-style-type: none">• How a business might react to a given demographic change |
| <ul style="list-style-type: none">• Environmental | <ul style="list-style-type: none">• How (physical) environmental issues might influence business behaviour |

4. Curriculum content

2AL: People in organisations

The A Level includes the content and skills of the AS Level. Although some further knowledge and application of that knowledge will be directly tested at A Level, the emphasis is on the interrelationship between organisation structure, leadership style and management of people within a business. Candidates will be expected to evaluate the implications of these for the effective planning and management of human resources.

2AL.1 Management and leadership

No topics beyond AS level.

2AL.2 Motivation

No topics beyond AS level.

2AL.3 Human resource management (HRM)

- | | |
|---|--|
| <ul style="list-style-type: none">• Measures of employee performance• Management by objectives• Labour legislation• Co-operation between management and workforce• Workforce planning• Role of trades unions in HRM• Negotiation• Single union deals | <ul style="list-style-type: none">• The measurement, causes and consequences of poor employee performance• Strategies for improving employee performance• The implementation and usefulness of management by objectives• The need for labour legislation and the broad principles that often underlie it• How co-operation between management and the workforce can be of benefit to both• Reasons for and role of a workforce plan• Purpose and value of trade unions• Reasons for joining a trade union• Main processes involved in negotiation; situations in which it might be effective• Collective bargaining• The processes involved in conciliation and arbitration; situations in which either might be useful• The meaning of single union deals and why they might be used |
|---|--|

4. Curriculum content

2AL.4 Organisation structure	
<ul style="list-style-type: none">• Relationship between business objectives, people and organisational structure• Types of structure: functional, hierarchical (flat and narrow), matrix• Formal and informal organisations• Delegation and accountability• Control, authority and trust• Centralisation• Line and staff	<ul style="list-style-type: none">• Purpose and attributes of an organisational structure such as flexibility, meet the needs of the business, permit growth and development• Advantages and disadvantages of the different types of structure• Why some organisations are structured by product and others by function or geographical area• The ways structures change with growth• Features of a formal structure: levels of hierarchy, chain of command, span of control, responsibility, authority, delegation/accountability, centralised/decentralised• Relationship between delegation and accountability• Processes of accountability in a business• Advantages and disadvantages of delegating• The impact of delegation on motivation• Relationship between span of control and levels of hierarchy• Difference between authority and responsibility• Conflicts between control and trust that might arise when delegating• Advantages and disadvantages of centralisation for stakeholders• Examples of and distinctions between line and staff management; conflict between them

4. Curriculum content

2AL.5 Business communication	
<ul style="list-style-type: none">• Purposes of communication• Methods of communication • Channels of communication • Barriers to communication• The role of management in facilitating communication	<ul style="list-style-type: none">• Situations in which communication is essential• Standard methods of communication: interpersonal, general to and within groups; spoken, written, electronic• Strengths and weaknesses of the different methods of communication• How communication works within an organisation• Difference between one- and two-way communication; difference between vertical and horizontal communication• Problems associated with different channels of communication• Barriers to communication: attitudes, perceptions, noise, language, inappropriate medium, etc.• 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

4. Curriculum content

3AL: Marketing

The A Level includes the content and skills of the AS Level. Although some additional knowledge and application of that knowledge will be directly tested at A Level, the emphasis is on using marketing concepts to develop strategies and evaluate changing situations/options.

3AL.1 What is marketing?

No topics beyond AS level.

3AL.2 Market research

No topics beyond AS level.

3AL.3 The marketing mix

No topics beyond AS level.

3AL.4 Marketing planning

- | | |
|---|---|
| <ul style="list-style-type: none"> • Market planning • Elasticity
 • Product development
 • Promotional campaigns
 • Forecasting
 • Coordinated marketing mix | <ul style="list-style-type: none"> • The detailed market plan; associated benefits • Income elasticity, promotional elasticity, cross elasticity; usefulness of the concept of elasticity in its various forms • Product development as a process from original conception to launch and beyond • Sources of new ideas for product development • The importance of Research and Development • Applying the ideas of AIDA and DAGMAR in choosing a promotional campaign • The need to forecast marketing data • Calculation and use of moving average method to forecast sales • The need for and development of a co-ordinated marketing mix • Development of marketing strategies that are focused towards achieving specific marketing objectives |
|---|---|

4. Curriculum content

3AL.5 Globalisation and international marketing	
<ul style="list-style-type: none">• Globalisation• Strategies for international marketing	<ul style="list-style-type: none">• Economic globalisation within the context of the broader concept of 'globalisation'• The implications for marketing of increased globalisation• The importance of international marketing for a specific business/situation• International markets – identification, selection and entry• Whether a business in a given situation should develop an international market through pan-global marketing <i>or</i> maintain local differences• Choosing a strategy, in a given situation, to develop a global market• Factors influencing the method of entry into international markets

4. Curriculum content

4AL: Operations and project management

The A Level includes the content and skills of the AS Level. Although additional knowledge and application of this knowledge will be directly tested at A Level, the emphasis is on using operations and project management concepts and techniques to develop strategies, improve efficiency and evaluate situations/options.

4AL.1 The nature of operations

No topics beyond AS level.

4AL.2 Operations planning

- | | |
|--|--|
| <ul style="list-style-type: none">Enterprise resource planning (ERP) | <ul style="list-style-type: none">Main features of an ERP programmeHow ERP can improve a business' efficiency in relation to: inventory control, costing and pricing, capacity utilisation, responses to change, management information |
|--|--|

4AL.3 Inventory management

No topics beyond AS level.

4AL.4 Capacity utilisation

- | | |
|--|---|
| <ul style="list-style-type: none">Measurement and significance of capacityIncreasing capacity utilisationOutsourcing | <ul style="list-style-type: none">How capacity utilisation can be measuredImplications of operating under or over maximum capacityChoosing methods of improving capacity utilisation (e.g. through rationalisation, sub-contracting)Benefits of outsourcing in a given situation |
|--|---|

4. Curriculum content

4AL.5 Lean production and quality management	
<ul style="list-style-type: none">• Lean production• Kaizen• Just in Time• Quality control and assurance• Total Quality Management• Benchmarking	<ul style="list-style-type: none">• Links between lean production and inventory control, quality, employees roles, capacity management and efficiency• Kaizen (continuous improvement) in the context of lean production• JIT in the context of lean production• Implications and justification of adopting a JIT approach• Quality in terms of what the customer demands• The importance of quality assurance• Methods of quality control: inspection, testing, random sampling, involving the workforce in quality control• The link between quality and training• Aims and effectiveness of TQM• The potential of Kaizen in TQM• The importance of benchmarking in quality control
4AL.6 Project management	
<ul style="list-style-type: none">• The need for projects and project management• Network diagrams• Critical Path Analysis (CPA)	<ul style="list-style-type: none">• Projects as a response to the need for change• Reasons and impact of project failure, including examples• Main elements of a network diagram: activities, dummy activities, nodes• Construction of a network from given data• Finding 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• CPA as a management tool

4. Curriculum content

5AL: Finance and accounting

The A Level includes the content and skills of the AS Level. The focus at A Level is on using accounting information to aid strategic decision making and to evaluate the performance of a business and business investment projects in financial terms.

5AL.1 The need for business finance

No topics beyond AS level.

5AL.2 Sources of finance

No topics beyond AS level.

5AL.3 Forecasting cash flows and managing working capital

No topics beyond AS level.

5AL.4 Costs

- | | |
|---|---|
| <ul style="list-style-type: none">Approaches to costing: absorption, contributionSolutions to costing problems | <ul style="list-style-type: none">Differences between absorption and contribution costingCircumstances in which the absorption costing method is appropriateThe nature of the technique of contribution costingThe difference between contribution and profitLimitations of contribution costingSituations in which contribution costing would be and would not be usedSolution of numerical problems involving costing methodsUsing contribution costing to help with 'accept/reject' order decisions |
|---|---|

5AL.5 Accounting fundamentals

No topics beyond AS level.

4. Curriculum content

5AL.6 Budgets	
<ul style="list-style-type: none">• The purposes of budgets • Variances: adverse, favourable	<ul style="list-style-type: none">• Performance• Benefits and drawbacks from the use of budgets• How budgets might be produced• Use of flexible budgets and zero budgeting• Purposes of budgets for allocating resources, controlling and monitoring of a business• Role of budgets in appraising business• The meaning of variances• Calculation and interpretation of variances [but not price/volume variances]
5AL.7 Contents of published accounts	
<ul style="list-style-type: none">• The income statement • The balance sheet • Intangible assets• Inventory valuation • Depreciation	<ul style="list-style-type: none">• Construction or amendment of an income statement from given data• The impact on the income statement of a given change• Construction or amendment of a balance sheet from given data• The relationships between items in the income statement and the balance sheet• How intangible assets are treated in the balance sheet• The difficulties of valuing inventory• The net realisable value method [But LIFO and FIFO will not be examined]• The role of depreciation in the accounts• The impact of depreciation (straight line method only) on the balance sheet and the income statement• The impact on the balance sheet of a given change in valuing intangible assets or inventories

4. Curriculum content

5AL.8 Analysis of published accounts	
<ul style="list-style-type: none">• Profitability ratio• Financial efficiency ratios• Gearing • Investor ratios• Practical use of ratio analysis	<ul style="list-style-type: none">• Return on capital employed• Inventory turnover, debtor days• All usual definitions of gearing are acceptable e.g. Debt/Equity and Debt/(Debt + Equity). It is the interpretation of the calculation that is important – including for selection of source of finance• Dividend yield, dividend cover, price/earnings ratio• How each of these ratios is used• Reasons for the results obtained• Strategies that businesses might adopt to improve ratio results• Comparison of ratios results between businesses• Limitations of these accounting ratios
5AL.9 Investment appraisal	
<ul style="list-style-type: none">• The concept of investment appraisal • Forecasting cash flows • Basic methods: payback, average rate of return (ARR)• Discounted cash flow methods: discounted payback, net present value (NPV), internal rate of return (IRR) • Qualitative factors in investment appraisal	<ul style="list-style-type: none">• The need for investment appraisal• The significance of risk in investment decisions• Interpretation of a cash flow forecast• Uncertainty in cash flow forecasts• The meaning, calculation and interpretation of payback and ARR• The meaning, calculation and interpretation of discounted payback and NPV• The meaning and interpretation (but not the calculation) of IRR• Qualitative factors that might influence an investment decision in a given situation• Comparison of the investment appraisal methods, including their limitations

4. Curriculum content

6AL: Strategic management

The aim of this A Level unit is to emphasise the integrated nature of strategic business decisions and the ways businesses implement strategic change successfully. Business strategy is concerned with the key decisions that need to be made by businesses of all sizes to survive and succeed in the long term. Strategic management is, therefore, the management of the long term activities of a business and this includes the careful integration of: strategic analysis (where is the business now?), strategic choice (identifying and deciding between options) and strategic implementation (planning for and managing change).

This unit introduces some new subject content, but it also gathers together and synthesises business ideas, concepts and techniques from other topic areas of the syllabus. Selecting between and justifying strategies is the central theme of this A Level Unit. Candidates will be expected to analyse, develop and evaluate future long term strategies in a variety of business situations. While some strategies may relate directly to particular functional areas, there will be a need to judge the likely overall effectiveness of these in the wider context of the business and its overall aims.

6AL.1 What is strategic management?

<ul style="list-style-type: none"> Understanding what strategic management is 	<ul style="list-style-type: none"> The meaning of corporate strategy, tactics and strategic management The need for strategic management Chandler's assertion that strategy should determine organisational structure How business strategy determines competitive advantage in an increasingly competitive world
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6AL.2 Strategic analysis

<ul style="list-style-type: none"> SWOT analysis PEST or External Environment analysis Business vision/mission statement and objectives Boston Matrix 5 Forces analysis Core Competencies 	<ul style="list-style-type: none"> Undertake and interpret SWOT analysis in a given situation Development of the outcome of a SWOT analysis into strategic objectives Undertake and interpret PEST analysis in a given situation Evaluation of the role of business vision/mission statements and objectives in strategic analysis Undertake and interpret Boston Matrix analysis on the product portfolio of a business Use Porter's 5 Forces analysis as a framework for business strategy Use Prahalad and Hamel's Core Competencies analysis as a framework for business strategy
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4. Curriculum content

6AL.3 Strategic choice	
<ul style="list-style-type: none">• Ansoff's Matrix• Force Field Analysis• Decision trees	<ul style="list-style-type: none">• The structure of Ansoff's Matrix and how it analyses the link between business strategy and risk• Use of Ansoff's Matrix to analyse and evaluate different business strategies in a given situation• The use of simple Force Field Analysis as a means of making strategic choices in a given situation• Construction of simple decision trees from information given• Calculation of the expected monetary values from decision trees and use of the results to assist in selecting most appropriate strategy• The usefulness of decision trees including an assessment of the accuracy of the data they contain
6AL.4 Strategic implementation	
<ul style="list-style-type: none">• Business plans• Corporate culture and strategic implementation• Developing a change culture• Managing and controlling strategic change• Contingency planning and crisis management	<ul style="list-style-type: none">• Key elements of a business plan• The value of a business plan for large and small, established and start-up businesses• Different types of corporate culture such as power, entrepreneurial and task• Importance of corporate culture in strategic implementation in a given situation• Importance of developing a change culture to allow effective implementations of new strategies• The importance of leading and managing change• Techniques to implement and manage change successfully• Development of a strategy to manage change in a given situation• Importance of contingency planning and crisis management

5. Resource list

The following pages list textbooks, reference books and other resources. The inclusion of a book does not imply a recommendation (except for *Cambridge International AS and A Level Business Studies* by Stimpson and Farquharson). This list was checked and revised in 2009 for the 2012 syllabus. Check the Internet for more recent editions.

Introductory Reading

Students considering taking or just beginning the course may find it interesting to look at *IGCSE Business Studies* by K. Borrington and P. Stimpson. This book was published in 2006 by John Murray (ISBN 034092649).

Recommended Textbook

The recommended textbook is *Cambridge International AS and A Level Business Studies* by Peter Stimpson and Alastair Farquharson. At the time of preparing this syllabus a new edition of this book is in preparation and is expected to be published in mid-2010. Significant changes were made in the 2011 syllabus and the new edition of Stimpson will reflect these changes. The publisher is Cambridge University Press (ISBN 0521126568). The new edition includes a CD-ROM. A separate Teacher's Resource CD-ROM will also be available (ISBN 0521126932).

Other Textbooks

Author	Title	Date	Publisher	ISBN
D. Dyer & P. Stimpson	Business Strategy for A2	2001	Cambridge University Press	0521003652
D. Hall, R. Jones, C. Raffo, A. Anderton, I. Chambers, D. Gray	Business Studies (4 th edition)	2008	Causeway Press	1405892315
B. R. Jewell	An Integrated Approach to Business Studies: Students' Book (4 th edition)	2000	Longman	0582405424
I. Marcousé, M. Surridge, N. Watson, I. Swift, A. Hammond, M. Brewer	Business Studies for A Level (3 rd edition)	2008	Hodder Arnold	0340966904

5. Resource list

Reference Books

Author	Title	Date	Publisher	ISBN
S. Cameron	The Business Student's Handbook (5 th edition)	2009	Prentice Hall	0273730711
J. Curwin & R. Slater	Quantitative Methods for Business Decisions (6 th edition)	2007	Cengage Learning	1844805743
G. Easton	Learning from Case Studies (2 nd edition)	1992	Prentice-Hall	0135286883
I Marcousé, B. Martin & D. Lines	Complete A-Z Business Studies Handbook (5 th edition)	2006	Hodder Arnold	0340915161
I. Marcousé & D. Lines	Business Case Studies (3 rd edition)	2002	Longman	0582406366

The following tables list books that relate to the specific sections of the syllabus. Some of these books go well beyond what is required by this syllabus. However, these books can provide enrichment to the course. Selective reading of these books can stimulate and inform students and access to these books can provide extra resource material for teachers. Some of the books have companion online websites which may provide some online resources for free.

Business and its environment

Author	Title	Date	Publisher	ISBN
P. Wetherly & D. Otter	The Business Environment: Themes and Issues	2007	Oxford University Press	0199203059
I. Worthington & C. Britton	The Business Environment (6 th edition)	2009	FT Prentice Hall	0273716751

5. Resource list

People in organisations

Author	Title	Date	Publisher	ISBN
P. Drucker	Managing for Results	1999	Butterworth-Heinemann	0750643919
M. Foot & C. Hook	Introducing Human Resource Management (5 th edition)	2008	FT Prentice Hall	0273712004
C. B. Handy	Understanding Organisations (4 th edition)	2005	Penguin	0141017740
D. S. Pugh & D. J. Hickson	Writers on Organisations (6 th edition)	2007	Penguin	0141029927

Marketing

Author	Title	Date	Publisher	ISBN
P. Baines, C. Fill & K. Page	Marketing	2008	Oxford University Press	0199290431
P. Kotler & K. Keller	Marketing Management (13 th edition)	2008	Pearson Education	0131357972

Operations and project management

Author	Title	Date	Publisher	ISBN
N. Slack, S. Chambers, R. Johnston & A. Brandon-Jones	Operations Management (5 th edition)	2008	FT Prentice Hall	1408215373
J. Womack & D. Jones	Lean Thinking (new edition)	2003	Free Press	0743231643
T. Young	Successful Project Management (2 nd edition)	2006	Kogan Page	0749445610

5. Resource list

Finance and accounting

Author	Title	Date	Publisher	ISBN
P. Atrill & E. McLaney	Accounting and Finance for Non-specialists (6 th edition)	2008	FT Prentice Hall	1408208040
D. Cox	Business Accounts	2004	Osborne Books	1872962637
I. Harrison	Complete A-Z Accounting Handbook (2 nd edition)	2003	Hodder & Stoughton	0340872667
R. Jarvis & A. Berry	Accounting in a Business Context (4 th edition)	2005	Thomson Learning	1844802515

Strategic Management

Author	Title	Date	Publisher	ISBN
G. Johnson, K. Scholes & R. Whittington	Exploring Corporate Strategy: Text and Cases (8 th edition)	2007	FT Prentice Hall	140588732X
H. Mintzberg	The Rise and Fall of Strategic Planning	2000	FT Prentice Hall	0273650378
J. I. Moore	Writers on Strategy and Strategic Management	2001	Penguin	0140284447

Magazine

Business Review is aimed at Business Studies courses at IGCSE and AS/A Level. For details of the current and previous editions see www.philipallan.co.uk/businessreview/index.htm.

5. Resource list

Websites

www.bankofengland.co.uk
www.bbc.co.uk/worldservice/business/
www.bized.co.uk
www.projectalevel.co.uk/business/index.htm
www.s-cool.co.uk
www.thetimes100.co.uk
www.topmarks.co.uk
<http://tre.ngfl.gov.uk/server.php>
www.tutor2u.net/

Teachers' Resources

Author	Title	Date	Publisher	ISBN
AVP	Business Education DVDs	–	www.avp.co.uk	–
K. Borrington	Teaching and Assessing Skills in Business Studies	2004	Cambridge University Press	0521543665
D. Hall, R. Jones, C. Raffo, A. Anderton, I. Chambers, D. Gray	Business Studies: Teachers' Guide (4 th edition)	2008	Causeway Press	1405892323
I. Marcou�, I. Gillespie, B. Martin, M. Surrige, N. Wall, M. Brewer, A. Hammond, I. Swift & N. Watson	Business Studies – Teachers' Book (2 nd edition)	2002	Hodder and Stoughton	0340811110
P. Stimpson, K. Borrington & P. Vasey	IGCSE Business Studies CD-ROM	2002	Hodder Murray	071957269X

Resources are also listed on CIE's public website at www.cie.org.uk. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at <http://teachers.cie.org.uk>. This website is available to teachers at registered CIE Centres.

6. Appendix: International terminology

International usage	UK usage (used by CIE before 2011 examinations)
Balance sheet	<i>Balance sheet</i>
Bank (and other) loans/ Interest bearing loans and borrowing	<i>Loans repayable after 12 months</i>
Bank overdrafts and loans/ Interest bearing loans and borrowing	<i>Loans repayable within 12 months</i>
Capital or Equity/Shareholders' Equity	<i>Capital</i>
Cash (and cash equivalents)	<i>Bank and cash</i>
Cost of sales	<i>Cost of goods sold</i>
Current assets	<i>Current assets</i>
Current liabilities	<i>Current liabilities/Creditors: amounts due within 12 months</i>
Finance costs	<i>Interest payable</i>
Finance Income/Investment revenues	<i>Interest receivable</i>
Financial Statements	<i>Final accounts</i>
Gross profit	<i>Gross profit</i>
Income statement	<i>Trading and profit and loss account</i>
Intangible assets	<i>Goodwill etc.</i>
Inventory/Inventories (of raw materials and finished goods)	<i>Stock</i>
Investment property	<i>Investments</i>
Non-current assets	<i>Fixed assets</i>
Non-current liabilities	<i>Long term liabilities/ Creditors: amounts falling due after more than one year</i>
Other operating expenses	<i>Sundry expenses (administration and distribution)</i>
Other operating income	<i>Sundry income</i>
Other payables	<i>Accruals</i>
Other receivables	<i>Prepayments</i>
Plant and equipment	<i>Plant and equipment</i>

6. Appendix: International terminology

International usage	UK usage (used by CIE before 2011 examinations)
Profit (before tax) for the year	<i>Net Profit</i>
Property	<i>Land and buildings</i>
Raw materials Ordinary goods purchased	<i>Purchases</i>
Revenue	<i>Sales</i>
Share capital	<i>Share capital</i>
Trade payables	<i>Creditors</i>
Trade receivables	<i>Debtors</i>
Work in progress	<i>Work in progress</i>

7. Additional information

7.1 Guided learning hours

Advanced Level ('A Level') syllabuses are designed on the assumption that candidates have about 360 guided learning hours per subject over the duration of the course. Advanced Subsidiary Level ('AS Level') syllabuses are designed on the assumption that candidates have about 180 guided learning hours per subject over the duration of the course. ('Guided learning hours' include direct teaching and any other supervised or directed study time. They do not include private study by the candidate.)

However, these figures are for guidance only, and the number of hours required may vary according to local curricular practice and the candidates' prior experience of the subject.

7.2 Recommended prior learning

Candidates beginning this course are not expected to have studied Business Studies previously.

7.3 Progression

Cambridge International A Level Business Studies provides a suitable foundation for the study of Business Studies or related courses in higher education. Equally it is suitable for candidates intending to pursue careers or further study in business or management, or as part of a course of general education.

Cambridge International AS Level Business Studies constitutes the first half of the Cambridge International A Level course in Business Studies and therefore provides a suitable foundation for the study of Business Studies at A Level and thence for related courses in higher education. Depending on local university entrance requirements, it may permit or assist progression directly to university courses in Business Studies or some other subjects. It is also suitable for candidates intending to pursue careers or further study in business or management, or as part of a course of general education.

7.4 Component codes

Because of local variations, in some cases component codes will be different in instructions about making entries for examinations and timetables from those printed in this syllabus, but the component names will be unchanged to make identification straightforward.

7. Additional information

7.5 Grading and reporting

A Level results are shown by one of the grades A*, A, B, C, D or E indicating the standard achieved, Grade A* being the highest and Grade E the lowest. 'Ungraded' indicates that the candidate has failed to reach the standard required for a pass at either A Level or AS Level. 'Ungraded' will be reported on the statement of results but not on the certificate.

If a candidate takes an A Level and fails to achieve grade E or higher, an AS Level grade will be awarded if both of the following apply:

- the components taken for the A Level by the candidate in that session included all the components making up an AS Level
- the candidate's performance on these components was sufficient to merit the award of an AS Level grade.

For languages other than English, CIE also reports separate speaking endorsement grades (Distinction, Merit and Pass), for candidates who satisfy the conditions stated in the syllabus.

Percentage uniform marks are also provided on each candidate's Statement of Results to supplement their grade for a syllabus. They are determined in this way:

- A candidate who obtains...
 - ... the minimum mark necessary for a Grade A* obtains a percentage uniform mark of 90%.
 - ... the minimum mark necessary for a Grade A obtains a percentage uniform mark of 80%.
 - ... the minimum mark necessary for a Grade B obtains a percentage uniform mark of 70%.
 - ... the minimum mark necessary for a Grade C obtains a percentage uniform mark of 60%.
 - ... the minimum mark necessary for a Grade D obtains a percentage uniform mark of 50%.
 - ... the minimum mark necessary for a Grade E obtains a percentage uniform mark of 40%.
 - ... no marks receives a percentage uniform mark of 0%.

Candidates whose mark is none of the above receive a percentage mark in between those stated according to the position of their mark in relation to the grade 'thresholds' (i.e. the minimum mark for obtaining a grade). For example, a candidate whose mark is halfway between the minimum for a Grade C and the minimum for a Grade D (and whose grade is therefore D) receives a percentage uniform mark of 55%.

The uniform percentage mark is stated at syllabus level only. It is not the same as the 'raw' mark obtained by the candidate, since it depends on the position of the grade thresholds (which may vary from one session to another and from one subject to another) and it has been turned into a percentage.

7. Additional information

AS Level results are shown by one of the grades a, b, c, d or e indicating the standard achieved, Grade a being the highest and Grade e the lowest. 'Ungraded' indicates that the candidate has failed to reach the standard required for a pass at AS Level. 'Ungraded' will be reported on the statement of results but not on the certificate.

For languages other than English, CIE will also report separate speaking endorsement grades (Distinction, Merit and Pass) for candidates who satisfy the conditions stated in the syllabus.

The content and difficulty of an AS Level examination is equivalent to the first half of a corresponding A Level.

Percentage uniform marks are also provided on each candidate's Statement of Results to supplement their grade for a syllabus. They are determined in this way:

- A candidate who obtains...
 - ... the minimum mark necessary for a Grade a obtains a percentage uniform mark of 80%.
 - ... the minimum mark necessary for a Grade b obtains a percentage uniform mark of 70%.
 - ... the minimum mark necessary for a Grade c obtains a percentage uniform mark of 60%.
 - ... the minimum mark necessary for a Grade d obtains a percentage uniform mark of 50%.
 - ... the minimum mark necessary for a Grade e obtains a percentage uniform mark of 40%.
 - ... no marks receives a percentage uniform mark of 0%.

Candidates whose mark is none of the above receive a percentage mark in between those stated according to the position of their mark in relation to the grade 'thresholds' (i.e. the minimum mark for obtaining a grade). For example, a candidate whose mark is halfway between the minimum for a Grade c and the minimum for a Grade d (and whose grade is therefore d) receives a percentage uniform mark of 55%.

The uniform percentage mark is stated at syllabus level only. It is not the same as the 'raw' mark obtained by the candidate, since it depends on the position of the grade thresholds (which may vary from one session to another and from one subject to another) and it has been turned into a percentage.

7. Additional information

7.6 Resources

Copies of syllabuses, the most recent question papers and Principal Examiners' reports are available on the Syllabus and Support Materials CD-ROM, which is sent to all CIE Centres.

Resources are also listed on CIE's public website at **www.cie.org.uk**. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at **<http://teachers.cie.org.uk>**. This website is available to teachers at registered CIE Centres.

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