

Welcome to your Business GCSE course! This Introduction is intended to guide you on all aspects of your course and you will need to refer to it as you work through the course.

## The Choice of Specification for Business

The course has been written to match the GCSE Business (formerly 'Business Studies') syllabus set by AQA. This is specification **8132**.

You will need to check the specification very closely. Full details of the current specification are given below.

## Preliminary Information

This course has been specifically designed to meet the requirements of GCSE examinations. The GCSE examination requires *application* of knowledge and the course therefore includes test questions designed to encourage students to engage in their own research and also to apply knowledge at each stage to that which they have gained earlier in the course.



# The Arrangement of Lessons

The OOL course consists of five modules and twenty-two lessons in total. The lessons are arranged as follows:

## Module One: Business Activity and the Changing Environment

<b>Lesson</b>	<b>Title</b>
<b>1</b>	Business in the Community and its Environment
<b>2</b>	External Factors affecting Business
<b>3</b>	Types of Business Organizations: Ownership and Operation (1)
	<b>Tutor-marked Assignment A</b>
<b>4</b>	Types of Business: Ownership and Operation (2)
<b>5</b>	Comparing Businesses
<b>6</b>	Business Aims and Objectives
	<b>Tutor-marked Assignment B</b>
<b>7</b>	Growth
<b>8</b>	Location Decisions
<b>9</b>	Judging Success
	<b>Tutor-marked Assignment C</b>

## Module Two: Human Resources

<b>Lesson</b>	<b>Title</b>
<b>10</b>	The Structure of Organisations
<b>11</b>	Methods of Management
	<b>Tutor-marked Assignment D</b>
<b>12</b>	Case Studies and Problems of Management
<b>13</b>	Recruitment, Training and Personnel Management

## Module Three: Accounting and Finance

<b>Lesson</b>	<b>Title</b>
<b>14</b>	Sources and Uses of Finance
	<b>Tutor-marked Assignment E</b>
<b>15</b>	Business Planning
<b>16</b>	Financial Records
	<b>Tutor-marked Assignment F</b>
<b>17</b>	Profitability, Liquidity, and Performance

## Module Four: Production

Lesson	Title
<b>18</b>	Production, Quality and Customer Service
<b>19</b>	Production Strategies
	<b>Tutor-marked Assignment G</b>

## Module Five: Marketing

Lesson	Title
<b>20</b>	Market Planning and Research
<b>21</b>	The Marketing Mix
<b>22</b>	Ethics, the Environment and the Law
	<b>Tutor-marked Assignment H</b>

**Practice Exam Paper 1 (TMA I)**  
**Practice Exam Paper 2 (TMA J)**

Suggested Answers to SATs  
Glossary

## Assessment Schedule

At the end of each lesson you will find a self-assessment test or a tutor-marked assignment. **Self-Assessment Tests** (SATs), as the name suggests, are designed to be marked by students themselves. These tests cover some or all of the topics of that particular lesson. Suggested answers to these tests are to be found at the back of the course.

**Tutor-marked Assignments** (TMAs) are usually to be found at the end of each of the modules. These are usually more extensive than the SATs and may require skills or knowledge derived from earlier lessons. Again, there are sets of suggested answers. These are supplied at the back of the course but should normally be retained by the tutor before the student starts work on the course. Make sure that this has happened! TMAs should be attempted under examination conditions.

Besides the formal tests, there are also a number of **Activities** which are located within each of the lessons. These Activities are arranged so that there may be an appropriate space for you to write in your answer. Activities may involve writing something down, performing some task, or just thinking about a problem.

In some cases, there are answers to the activities. These may be found at the end of the lesson or immediately after the activity itself.

## The AQA Specification

### Business GCSE Specification 8132

**Grading:** like other GCSE exams, Business GCSE is graded on the new scale from 9 to 1. 9 is best, 8 is 2<sup>nd</sup> best, down to the lowest grade of 1. If you do not achieve the standard required for a grade 1, you will be given a U (= Unclassified). For the purposes of further education, a grade 4 or 5 at GCSE is generally regarded as the minimum requirement (a “good pass”). This may change as time goes by.

Details of the new specification are given below.

#### Paper 1: Influences of operations and HRM on business activity

What's assessed:

- Business in the real world
- Influences on business
- Business operations
- Human resources

Written exam: 1 hour 45 minutes  
90 marks      50 % of GCSE

**Section A** has multiple choice questions and short answer questions worth 20 marks.

**Section B** has one case study/data response stimuli with questions worth approximately 34 marks.

**Section C** has one case study/data response stimuli with questions worth approximately 36 marks.

#### Paper 2: Influences of marketing and finance on business activity

What's assessed:

- Business in the real world
- Influences on business
- Marketing

- Finance

Written exam: 1 hour 45 minutes  
90 marks      50 % of GCSE

**Section A** has multiple choice questions and short answer questions worth 20 marks.

**Section B** has one case study/data response stimuli with questions worth approximately 34 marks.

**Section C** has one case study/data response stimuli with questions worth approximately 36 marks.

## AQA Subject content

Students apply their knowledge and understanding to different business contexts ranging from small enterprises to large multinationals and businesses operating in local, national and global contexts.

Students develop an understanding of how these contexts impact on business behaviour.

Students will apply their knowledge and understanding to business decision-making including:

- the interdependent nature of business activity, influences on business, business operations, finance, marketing and human resources, and how these interdependencies underpin business decision-making
- how different business contexts affect business decisions
- the use and limitation of quantitative and qualitative data in making business decisions.

The AQA specification requires students to draw on the knowledge and understanding to:

- use business terminology to identify and explain business activity
- apply business concepts to familiar and unfamiliar contexts
- develop problem solving and decision-making skills relevant to business
- investigate, analyse and evaluate business opportunities and issues

- make justified decisions using both qualitative and quantitative data including its selection, interpretation, analysis and evaluation, and the application of appropriate quantitative skills.

## AQA Specification Section 3.1 Business in the real world

The purpose of business activity, the role of business enterprise and entrepreneurship, and the dynamic nature of business.

Students need to be aware of the impact business in the real world has on the four functional areas of business:

- business operations
- human resources
- marketing
- finance.

### **3.1.1 The purpose and nature of businesses**

Purpose of business

Reasons for starting a business

Basic functions and types of business

Business enterprise and entrepreneurship

Dynamic nature of business

### **3.1.2 Business ownership**

Sole traders

Partnerships

Private limited companies (ltd)

Public limited companies (plc)

Not-for-profit organisations

### **3.1.3 Setting business aims and objectives**

What are business aims and objectives?

Purpose of setting objectives

Role of objectives in running a business

Changing objectives

Use of objectives in judging success

### **3.1.4 Stakeholders**

Main stakeholders of businesses

Objectives of stakeholders

Impact of business activity on stakeholders

Impact and influence stakeholders have on businesses

### **3.1.5 Business location**

Factors influencing the location decision of a business

### **3.1.6 Business planning**

The purpose of business planning

The main sections within a business plan

Basic financial terms

Basic financial calculations

### **3.1.7 Expanding a business**

Methods of expansion

Benefits and drawbacks of expansion

Economies of scale

Diseconomies of scale

## **3.2 Influences on business**

The importance of external influences on business and how businesses change in response to these influences.

Students need to be aware of the impact influences on business have on the four functional areas of business:

- business operations
- human resources
- marketing
- finance.

### **3.2.1 Technology**

E-commerce

Digital communication

### **3.2.2 Ethical and environmental**

Ethical considerations

Environmental considerations:

- impact on traffic congestion
- recycling
- disposing of waste
- noise and air pollution.

Sustainability:

- global warming
  - using scarce resources.
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### 3.2.3 The economic climate on businesses

Interest rates:

- how fluctuating interest rates can affect businesses that rely on
- overdrafts and loans for finance
- how fluctuating interest rates can affect consumer and business spending.

Level of employment

Consumer spending

### 3.2.4 Globalisation

How UK businesses compete internationally, offering:

- better designs
- higher quality products at lower prices

Exchange rates

### 3.2.5 Legislation

Employment law

Health and Safety law

Consumer law

### 3.2.6 Competitive environment

Impact on businesses of operating in competitive markets

Uncertainty and risks businesses face

## 3.3 Business operations

Students should understand the interdependent nature of business operations, human resources, marketing and finance.

Students should be able to give examples of how business objectives would be split into functional plans with clear links throughout.

What business operations involve, their role within the production of goods and the provision of services, and how they influence business activity.

### 3.3.1 Production processes

Methods of production:

- job
- flow.

Efficiency in production:

- lean production
- just in time (JIT).

### **3.3.2 The role of procurement**

Managing stock:

- Just in time (JIT)
- Just in case (JIC).

Factors affecting choice of suppliers including:

- price
- quality
- reliability.

The effects of procurement and logistics on a business, including:

- efficiency
- lower unit costs.

The value of effective supply chain management, including:

- working with suppliers to ensure that key processes are running efficiently and cost effectively
- getting goods and services for the best price and value
- cutting any waste and unnecessary costs to create a streamlined process and fast production times.

### **3.3.3 The concept of quality**

Consequences of quality issues

Methods of maintaining consistent quality

Total quality management (TQM)

Costs and benefits of maintaining quality

- additional sales
- image/reputation
- higher price
- inspection costs
- staff training
- product recalls
- the provision of services.

### **3.3.4 Good customer services**

Methods of good service:

- product knowledge
- customer engagement (creating a positive experience for the customer)

- post sales services (eg user training, help lines, servicing).

Benefits of good customer service, including:

- increase in customer satisfaction
- customer loyalty
- increased spend
- profitability.

Dangers of poor customer service, including:

- dissatisfied customers
- poor reputation via word of mouth
- reduction in revenue.

The ways in which advances in ICT have allowed customer services to develop:

- websites
- e-commerce
- social media.

### **3.4 Human resources**

Students should understand the interdependent nature of business operations, human resources, marketing and finance. Students should be able to give examples of how business objectives would be split into functional plans with clear links throughout.

The purpose of human resources, its role within business and how it influences business activity.

#### **3.4.1 Organisational structures**

Appropriateness of organisational structures

Centralisation and decentralisation

#### **3.4.2 Recruitment and selection**

The need for recruitment

Methods of recruitment and selection of employees

Contracts of employment

#### **3.4.3 Motivating employees**

Importance of motivation in the workforce

Methods to motivate staff

#### **3.4.4 Training**

Importance of training the workforce

Types of training undertaken by businesses

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### **3.5 Marketing**

Students should understand the interdependent nature of business operations, human resources, marketing and finance. Students should be able to give examples of how business objectives would be split into functional plans with clear links throughout.

The purpose of marketing, its role within business and how it influences business activity.

### **3.5.1 Identifying and understanding customers**

Importance of motivation in the workforce

Methods to motivate staff

### **3.5.2 Segmentation**

Types of segmentation

### **3.5.3 The purpose and methods of Market Research**

Purpose of market research

Collect information about:

- demand
- competition
- target market.

Methods of market research to include

- primary and secondary:
- questionnaires
- surveys
- interviews
- focus groups
- internet research
- printed press, e.g. newspapers.

Use of market research: information that may help decision making

### **3.5.4 The elements of the marketing mix: price, product, promotion and place (4 Ps)**

Pricing methods, including:

- price skimming
- price penetration
- competitive pricing
- loss leader
- cost-plus.

The factors that influence pricing decisions, including:

- costs
- nature of the market
- degree of competition
- product life cycle.

### Product

Product differentiation:

- unique selling point (USP)
- brand image.

The product life cycle:

- research and development
- introduction
- growth
- maturity
- decline
- extension strategies:
  - updating packaging
  - adding more or different features
  - changing target market
  - advertising
  - price reduction.

### Product portfolio

Promotional methods: advertising, including:

- newspapers
- magazines
- television
- internet
- billboards.

### PR

- sales promotion
- point of sales displays
- 2 for 1 offers
- free gifts
- samples
- coupons
- competitions.

sponsorship

social media.

Factors influencing the selection of the promotional mix:

- finance available

- competitor actions
- the nature of the product or service
- the nature of the market
- target market.

Reasons for promotion:

- inform/remind customers about the product
- create or increase sales
- create or change the image of the product
- persuade customers to buy the product.

Place (the different channels of distribution used by businesses):

- retailers
- wholesalers
- telesales.

E-commerce and m-commerce

Integrated nature of the marketing mix

Using the marketing mix to inform and implement business decisions

### 3.6 Finance

Students should understand the interdependent nature of business operations, human resources, marketing and finance. Students should be able to give examples of how business objectives would be split into functional plans with clear links throughout.

The purpose of the finance function, its role within business and how it influences business activity.

#### 3.6.1 Sources of finance

Methods businesses use to raise finance

Appropriateness of sources of finance

#### 3.6.2 Cash flow

Importance of cash to businesses

Interpreting cash flow forecasts

Difference between cash and profit

#### 3.6.3 Financial terms and calculations

Basic financial terms

Basic financial calculations

Average rate of return

Break-even

### **3.6.4 Analysing the financial performance of a business**

Purpose of financial statements

Components of financial statements

Interpretation of data given on financial statements

## **AQA Aims and learning outcomes**

Courses based on this specification should encourage students to:

- know and understand business concepts, business terminology, business objectives, the integrated nature of business activity and the impact of business on individuals and wider society
- apply knowledge and understanding to contemporary business issues and to different types and sizes of businesses in local, national and global contexts
- develop as enterprising individuals with the ability to think commercially and creatively to demonstrate business acumen, and draw on evidence to make informed business decisions and solve business problems
- develop as effective and independent students, and as critical and reflective thinkers with enquiring minds
- use an enquiring, critical approach to make informed judgements
- investigate and analyse real business opportunities and issues to construct well-argued, well-evidenced, balanced and structured arguments, demonstrating their depth and breadth and understanding of business
- develop and apply quantitative skills relevant to business, including using and interpreting data.

## **Assessment objectives and weightings**

Assessment objectives (AOs) are set by Ofqual and are the same across all GCSE Business specifications and all exam boards. The exams will measure how students have achieved the following assessment objectives.

- AO1: Demonstrate knowledge and understanding of business concepts and issues.
- AO2: Apply knowledge and understanding of business concepts and issues to a variety of contexts.

AO3: Analyse and evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions.

These AOs are weighted across the two examination papers as follows:

	AO1	AO2	AO3
Component 1	18%	17%	15%
Component 2	17%	18%	15%
Total for GCSE	35%	35%	30%

## Studying the Specification

You should be sure to acquire your own copy of the specification, either via the AQA Publications Dept or via the website <https://www.aqa.org.uk/subjects/business>.

The specification may be downloaded from [www.ool.co.uk/0018bsg](http://www.ool.co.uk/0018bsg)

As you approach the examination, it will also be helpful to download the sample assessment material also available at [www.ool.co.uk/0019bsg](http://www.ool.co.uk/0019bsg).

## Learning Strategies

It is not sufficient to learn the course material off parrot fashion since the GCSE requires student involvement and the ability to reason. The examiners also expect you to relate the subject of business to your own lives and, where possible, at school or in the economic world of work.

The lesson material, however, must not be regarded as complete in itself nor as a substitute for other reading. Students should also read the business aspects of a daily newspaper and listen to the economic and financial news as it occurs. Business is a subject which changes from day to day and text books rapidly become out of date.

While both the course material (and other textbooks) are updated frequently, changes can occur inside a matter of days which will not be reflected in the course material. It is therefore important that you keep abreast of the major changes from daily newspapers and news websites such as the BBC's.

## Supporting Textbooks

The Oxford Open Learning study pack is designed to be a complete preparation for your GCSE examination and there is no compulsory supporting textbook.

However, it is never a bad idea to get a different perspective on the subject and the students who do best have generally read the most widely. Here are two books which are worth buying or borrowing from the library:

Malcolm Surridge & Andrew Gillespie: *AQA GCSE (9-1) Business* (Hodder, ISBN 978-1471899386)

Malcolm Surridge: *My Revision Notes: AQA GCSE (9-1) Business* (Hodder, ISBN 978-1510423701)

Both books are designed to cover the requirements of the AQA GCSE 8132 syllabus. One easy way to purchase supporting texts is through the OOL website ([www.ool.co.uk](http://www.ool.co.uk)).

## Using the Internet

All students would benefit from access to the Internet. You will find a wealth of information on all the topics in your course. As well as the AQA website, you should get into the habit of checking the Oxford Open Learning site ([www.ool.co.uk](http://www.ool.co.uk)) where you may find news, additional resources and interactive features as time goes by. Good luck!

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