

Paper Reference(s)

6923/01

Edexcel GCE

Applied Business

Unit 8: Business Development

Externally Set Assignment

June 2010

Information for Candidates

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Please ensure that you read this document carefully.

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This Externally Set Assessment is about starting up, running and developing your own business.

Operating under a franchise agreement or taking over an existing business are not options open to you.

Scenario

You have always wanted to work for yourself and have dreamed of starting up, running and developing your own business. You have recently received a legacy from one of your grandparents of £10 000 and feel that the time is right to fulfil your dream and open up a small business, operating as a sole trader or a partnership.

You realise that the legacy will not be sufficient to cover all the costs of starting up the business, and that you will need to obtain additional finance from other sources. Your total start up capital is unlikely to exceed £50 000.

You have decided to carry out detailed research and planning, then assemble the information in a business development plan and present it in a professional format. This should clearly demonstrate your business idea as a potentially viable concern worthy of investment. Your business development plan should clearly explain your idea and the related costs to potential investors.

You must produce the following assessment evidence for this unit.

You must create a business development plan in order to convince potential investors. It is important that your business development plan clearly shows the following:

The Business Idea

- an analysis of the outcomes of your primary and secondary research (include data and findings as Appendix 1)
- reasons for your choice of business
- reasons for rejection of other business ideas
- aims and objectives of your business
- the marketing mix and strategies for your business
- any further market analysis and evaluation to further justify the development of your business.

(28 marks)

Resource and Quality Issues

- physical, financial and human resources and associated costs
- any relevant legal, economic, technical and environmental constraints
- how the business will be run, considering the planning and quality assurance
- how your business is managed.

(14 marks)

Financial Resources

- sources of finance
- start-up budget
- cash flow forecast for year one, including an explanation of inflows and outflows
- opening balance sheet
- projected closing balance sheets for year one
- forecast profit and loss for year one
- break-even forecast
- an explanation of the likely changes (legal, economic, political, technical and environmental) over the next two years and their impact on the finance of the business.

(27 marks)

Feasibility and Evaluation

- a recognition of any seasonal, cyclical or other effects that may arise
- projection of the business position of the subsequent two years
- difficulties of estimating future positions through the consideration of cash flow, profitability and liquidity
- calculation of key ratios, analysis and evaluation over three years
- justified conclusions and recommendations.

(21 marks)

Instructions for the conduct of the assessment

1. The given scenario is the **only** vehicle for the assessment of Unit 8: Business Development.
2. Apart from this document there will be **no examination paper** for the assessment.
3. Assessment will be carried out by centre assessors, whose decisions will be subject to moderation by Edexcel's external moderators. All moderation will be carried out by sending a sample of the candidates' work that will be indicated on accompanying documents sent to the centre in the year of examination. This will take place at the same time as the moderation of the portfolio units, in the summer moderation series.
4. Work must be carried out under controlled conditions.
5. Candidates' work must be completed and assessed by the centre by the **end of the deadline for submission of marks for moderation**.
6. Candidates should spend no more than a total of 15 hours in controlled situations completing the business plan.
7. Candidate marks must be entered on the appropriate OPTEMS forms and returned to Edexcel by **the deadline for submission of marks for moderation**.
8. Evidence to be assessed against Unit 8 must be produced specifically to meet the requirements of the scenario.
9. **Centres should note that this unit is moderated in summer only, and that marks and candidates' work can only be submitted then.**

Assessment of Unit 8

The externally set assignment for Unit 8 is available on the Edexcel website (www.edexcel.com) for examination in June 2010. There will be no examination paper for the assessment following the publication of this document.

The business development plan must be carried out under controlled conditions which provide an effective way of verifying coursework authenticity. Controlled conditions are defined as follows:

- Work must be done in the classroom and/or at a computer and must be supervised by a business teacher to ensure work can be authenticated.
- Candidates may have access to the task stimulus, research notes and dictionary.
- Candidates must not access the Internet under any circumstances while working under controlled conditions.
- Candidates will know the coursework task in advance of the controlled conditions and may spend time identifying a valid business opportunity in preparation for the controlled task.
- There are no restrictions on formative research that is undertaken in advance of the controlled conditions. The extent of preliminary research must, however, be outlined on the 'Declaration of Assessment Conditions' form on page 7.
- The business development plan created during these controlled conditions should be of a suitable quality to submit to a provider of finance in line with the Assessment Criteria.
- Although no minimum amount of hours is stated for this exercise, it is envisaged that candidates should be given at least 10 hours to complete the assignment under controlled conditions.
- Candidates should spend no more than a total of 15 hours completing the business development plan.
- The controlled conditions may be spread over a number of days or weeks.
- In the likely event that the work is not completed in a single session the teacher must store it securely until the next controlled session.
- A record must be kept of when and under what conditions the work in the candidate's folder was completed. Please complete the 'Declaration of Assessment Conditions' form found in this document on page 7 which must be used for this purpose.
- In order to assess work accurately and measure the degree of the candidates' business understanding, Centres are required to make a formal declaration of source and support materials used including traditional and online dictionaries. Centres must also maintain a copy of Centre devised worksheets, website pages and copies of relevant pages from text books used. The use of this material must be captured on an information log or the 'Declaration of Assessment Conditions' form.
- Teachers and candidates are required to authenticate the business development plan as the candidate's own work on the front of the mark record sheet which should be enclosed with the candidate's work.

Unit 8 - Business Development Assessment criteria

| | Mark Band 1 | Mark Band 2 | Mark Band 3 | Mark awarded |
|------------------------------------|--|---|---|--------------|
| (a) A01, A02, A03, A04 | Potential business idea selected, giving basic reasons for choice and viability and outlining marketing/promotional strategies and identifying competitor information. (1-14) | Sound information on business idea supported by evidence of viability and detailed strategies with some justification of proposal. Sound information on competitors. (15-22) | Comprehensive and original ideas with fully supported and justified evidence and proposals. Comprehensive and original information on competitors. (23-28) | 28 |
| (b) A01, A02, A03, A04 | Resource requirements and quality issues dealt with at basic level. (1-7) | Resources and quality issues soundly presented, with relevant examples and good application. (8-11) | Resources and quality issues comprehensively presented with fully supported detailed evidence. (12-14) | 14 |
| (c) A01, A02, A03, A04 | A finance plan providing the basic information required for sources, budgets, cash flow, break-even and accounts. (1-13) | Detailed finance plan covering all required aspects showing independence of thought and clear understanding. (14-20) | Comprehensive, professionally presented finance plan with accurate application and analysis of forecasts showing originality, independence of thought and clear understanding. (21-27) | 27 |
| (d) A01, A02, A03, A04 | A simple evaluation of the business position at year-end and projected for three years hence. (1-10) | Sound analysis and evaluation of present and projected position showing independence of thought. (11-16) | Comprehensive analysis and evaluation of present and projected position with detailed and original recommendations and justified conclusions. (17-21) | 21 |
| Total marks | | | | 90 |

Edexcel GCE in Applied Business – Unit 8 Mark Record Sheet

Centre no:

Centre name:

Candidate no:

Candidate name:

| Unit 8: Business Development | | | | | | |
|------------------------------|----------------------------|-----------|---------|---------|-------------|------------------|
| Assessment evidence | Annotation and page number | Mark Band | | | Centre mark | Edexcel use only |
| | | 1 | 2 | 3 | | |
| (a) | | 0 – 14 | 15 – 22 | 23 – 28 | | |
| (b) | | 0 – 7 | 8 – 11 | 12 – 14 | | |
| (c) | | 0 – 13 | 14 – 20 | 21 – 27 | | |
| (d) | | 0 – 10 | 11 – 16 | 17 – 21 | | |
| Final total | | | | | | |

Declaration of Authentication: I declare that the work submitted for the assessment has been carried out without assistance other than that which is acceptable under the scheme of assessment (unless indicated on the back of this mark record sheet).

Signed (candidate)..... Date

Signed (teacher) Date

Declaration of Assessment Conditions

Edexcel GCE in Applied Business

Unit 8: Business Development

Centre no: Centre name:

Candidate no: Candidate name:

Time spent under controlled conditions:

Work Completed in preparation for Controlled Assessment:

Work Completed under Controlled Conditions:

I declare that work submitted for assessment and the information above is accurate and acceptable under the scheme of assessment.

Candidate Signature:

Teacher Name:

Teacher Signature:

Sample Format for the Business Development Plan

Guidance for candidates

This is a sample format for the presentation of the Business Development Plan.

Candidates retain the right to submit their work in alternative formats if they wish.

(Title Page)

CANDIDATE NAME:

COURSE: **GCE APPLIED BUSINESS**

UNIT TITLE: **BUSINESS DEVELOPMENT**

UNIT NUMBER: **6923**

BUSINESS DEVELOPMENT PLAN FOR:

(Name of Proposed Business)

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