



# Specification

**Edexcel GCSE in Applied  
Business (2AB01)**

**Edexcel GCSE in Applied  
Business (Double Award) (2AB02)**

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This specification is Issue 2. Key changes are sidelined. We will inform centres of any changes to this issue. The latest issue can be found on the Edexcel website: [www.edexcel.com](http://www.edexcel.com)

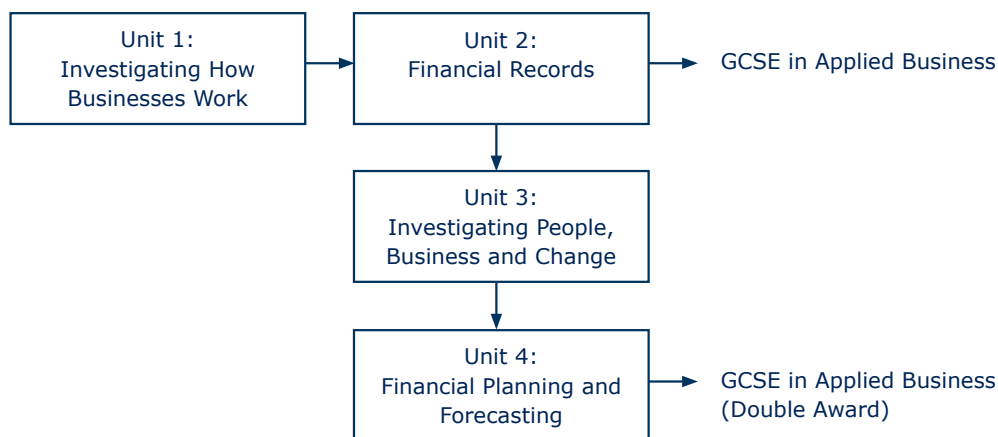
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# Introduction

The Edexcel GCSEs in Applied Business and Applied Business (Double Award) are designed for use in schools and colleges. They are part of a suite of GCSE qualifications offered by Edexcel.

## About this specification

- This specification is based on the Edexcel Applied Business (Double Award) 2306 and retains its popular features.
- It introduces the flexibility of achieving either a GCSE or a GCSE (Double Award).
- The GCSE in Applied Business consists of two units and the GCSE in Applied Business (Double Award) consists of four units (as illustrated below).



## Key subject aims

GCSE qualifications in Applied Business are designed to:

- actively engage students in the study of business and to develop them as effective and independent learners, and reflective thinkers with enquiring minds
- allow students to develop and apply their business knowledge, understanding and skills to contemporary issues in a range of local, national and global contexts
- enable students to appreciate the range of perspectives of different business stakeholders
- enable students to consider the extent to which business activity can be ethical and sustainable.

# Contents

<b>Specification at a glance</b>	<b>4</b>
<b>A Qualification content</b>	<b>8</b>
Knowledge and understanding	8
Skills	8
List of unit contents	9
Unit 1: Investigating How Businesses Work	10
Overview	10
Detailed unit content	12
Unit 2: Financial Records	28
Overview	28
Detailed unit content	29
Unit 3: Investigating People, Business and Change	33
Overview	33
Detailed unit content	35
Unit 4: Financial Planning and Forecasting	52
Overview	52
Detailed unit content	53
<b>B Assessment</b>	<b>58</b>
Assessment summary	58
Assessment Objectives and weightings	59
Relationship of Assessment Objectives to units	60
Entering your students for assessment	60
Student entry	60
Forbidden combinations and classification code	60
Access arrangements and special requirements	61
Disability Discrimination Act (DDA)	61
Controlled assessment	62
Summary of conditions for controlled assessment	62

# Contents

Internal standardisation	62
Authentication	63
Further information	63
<b>Assessing your students</b>	<b>63</b>
Awarding and reporting	64
Unit results	64
Qualification results	65
Resitting of units	66
Language of assessment	66
Quality of written communication	66
Stretch and challenge	67
Malpractice and plagiarism	67
Student recruitment	67
Progression	67
Grade descriptions	68
<b>C Resources, support and training</b>	<b>69</b>
Edexcel resources	69
Edexcel publications	69
Endorsed resources	69
Edexcel support services	70
Training	71
<b>D Appendices</b>	<b>72</b>
Appendix 1 Key skills	73
Development suggestions	74
Appendix 2 Wider curriculum	75
Appendix 3 Codes	77
Appendix 4 Exemplar Controlled Assessment Record Sheet for Unit 1	78
Appendix 5 Exemplar Controlled Assessment Record Sheet for Unit 3	79

# Specification at a glance

## Course structure

This specification is divided into four units of content. GCSE students are required to complete two units and Double Award students are required to complete four units.

- GCSE in Applied Business: Unit 1 and Unit 2
- GCSE in Applied Business (Double Award): Unit 1, Unit 2, Unit 3 and Unit 4

### Unit 1: Investigating How Businesses Work

\*Unit code 5AB01

- Internally assessed
- Availability: June series
- First assessment: June 2010

60% of  
the total  
GCSE

30% of  
the total  
GCSE  
Double  
Award

#### Overview of content

The unit contains three topics:

- What is a business and what do businesses do?
- How are businesses organised?
- Why are stakeholders so important?

#### Overview of assessment

- This unit is internally assessed under controlled conditions.
- Students are required to complete an Edexcel-set task with a total of 100 marks.
- Students select **two** businesses – one local and one national/international – to research. They then answer a number of set questions based on the content of the unit in relation to these selected businesses, using their research materials, under controlled conditions of a set duration.
- Research/investigation – approximately eight weeks of curriculum time (a maximum of 24 hours).
- Final write up – approximately four weeks of curriculum time (a maximum of 12 hours).
- The task is internally marked by teachers and moderated by Edexcel.

**Unit 2: Financial Records****\*Unit code 5AB02**

- Externally assessed
- Availability: January and June series
- First assessment: June 2010

**40% of  
the total  
GCSE****20% of  
the total  
GCSE  
Double  
Award****Overview of content**

The unit contains four topics:

- Investigating the flow of financial documents used in business trading
- Investigating business payment methods and costs
- Investigating the nature of financial statements in business
- Investigating the importance of financial statements to business

**Overview of assessment**

- A one-hour untiered examination marked out of 60 and suitable for all levels of students.
- Six structured questions, comprising a mixture of multiple-choice, short- and extended-answers.

### Unit 3: Investigating People, Business and Change

\*Unit code 5AB03

- Internally assessed
- Availability: June series
- First assessment: June 2010

**30% of  
the total  
GCSE  
Double  
Award**

#### Overview of content

The unit contains three topics:

- Why are people important?
- How do businesses develop?
- What are external factors?

#### Overview of assessment

- This unit is internally assessed under controlled conditions.
- Students are required to complete an Edexcel-set task with a total of 100 marks.
- Students select **two** businesses – one local and one national/international – to research. They then answer a number of set questions based on the content of the unit in relation to these selected businesses, using their research materials, under controlled conditions of a set duration.
- Research/investigation – approximately eight weeks of curriculum time (a maximum of 24 hours).
- Final write up – approximately four weeks of curriculum time (a maximum of 12 hours).
- The task is internally marked by teachers and moderated by Edexcel.



**Unit 4: Financial Planning and Forecasting****\*Unit code 5AB04**

- Externally assessed
- Availability: June series
- First assessment: June 2010

**20% of  
the total  
GCSE  
Double  
Award****Overview of content**

The unit contains four topics:

- Investigating business cash-flow forecasts
- Investigating business budgets
- Investigating break-even analysis in business
- Investigating sources of business finance and financial planning

**Overview of assessment**

- A one-hour untiered examination marked out of 60 and suitable for all levels of students.
- Six structured questions, comprising a mixture of multiple-choice, short- and extended-answers.

\*See *Appendix 3* for a description of this code and all other codes relevant to this qualification.

# A Qualification content

## ■ Knowledge and understanding

This Edexcel GCSE and GCSE (Double Award) in Applied Business qualification requires students to:

- actively engage in the study of business to develop as effective and independent learners and as critical and reflective thinkers with enquiring minds
- use an enquiring, critical approach to distinguish facts and opinions, to build arguments and make informed judgements
- develop and apply their knowledge, understanding and skills to contemporary issues in a range of local, national and global contexts
- appreciate the range of perspectives of different stakeholders in relation to business activities
- consider the extent to which business activity can be ethical and sustainable.

## ■ Skills

This Edexcel GCSE and GCSE (Double Award) in Applied Business provides students with the opportunity to develop the following skills:

- practical skills – time management, personal organisation and action planning
- presentational skills – addressing audiences using a variety of media and forms
- personal skills – showing evidence of progression
- interpersonal skills – communication and group work
- cognitive skills – reflection and review of own and others' performances.

## List of unit contents

<b>Unit 1:</b>	<b>Investigating How Businesses Work</b>	<b>10</b>
	Topic 1.1 What is a business and what do businesses do?	12
	Topic 1.2 How are businesses organised?	14
	Topic 1.3 Why are stakeholders so important?	15
<b>Unit 2:</b>	<b>Financial Records</b>	<b>28</b>
	Topic 2.1 Investigating the flow of financial documents used in business trading	29
	Topic 2.2 Investigating business payment methods and costs	30
	Topic 2.3 Investigating the nature of financial statements in business	31
	Topic 2.4 Investigating the importance of financial statements to business	32
<b>Unit 3:</b>	<b>Investigating People, Business and Change</b>	<b>33</b>
	Topic 3.1 Why are people so important?	35
	Topic 3.2 How do businesses develop?	38
	Topic 3.3 What are external factors?	39
<b>Unit 4:</b>	<b>Financial Planning and Forecasting</b>	<b>52</b>
	Topic 4.1 Investigating business cash-flow forecasts	53
	Topic 4.2 Investigating business budgets	54
	Topic 4.3 Investigating break-even analysis in business	55
	Topic 4.4 Investigating sources of business finance and financial planning	56

## Unit 1: Investigating How Businesses Work

Compulsory unit for all students

### Overview

#### Content overview

The content is structured into three topic areas, each of which states the content as a series of outcomes. Each topic requires students to undertake investigative and other learning activities as follows.

In **Topic 1.1**, students investigate the meaning of enterprise and the skills required to be successful in business. They then consider business activity, how and why businesses set aims and objectives, and the factors which decide the most appropriate form of business ownership, and also ethical issues.

In **Topic 1.2**, students investigate how businesses are organised. Coverage includes functional areas, communication between functional areas and organisation structures.

In **Topic 1.3**, students investigate stakeholders and their importance to the business.

**Each topic within this unit should be applied by the student relating the topic content to examples of at least two selected, real businesses, one local and one national or international.**

## Assessment overview

### **This unit is internally assessed under controlled conditions.**

- A task covering the unit content will be provided by Edexcel, available on the Edexcel website from June each academic year (for assessment in the next academic year) and reviewed every two years to ensure that the task is still fit for purpose.
- Students are required to choose two businesses (one locally based and one with a national or international presence) and research them in order to complete the task.
- Students will be expected to compile a portfolio of research findings from their business investigations and apply this as a basis for the activities undertaken within the controlled assessment task.
- Researching the task should take approximately eight curriculum weeks of time (a maximum of 24 hours) and can be completed under limited supervision. The informally supervised writing-up session(s) should take approximately four weeks of curriculum time (a maximum of 12 hours) (see *Levels of control* section on page 26). Students' final write-up of the task must be produced individually.
- The total marks for the task (100 marks) are divided into two parts:
  - Part A: non-moderated internal assessment of personal and interpersonal skills (10 marks) assessed by the teacher
  - Part B: an Edexcel-set controlled assessment task (90 marks) assessed by the teacher and moderated by Edexcel.
- The Edexcel-set controlled assessment task (Part B) is divided into three activities worth 30 marks each to make up the total of 90 marks. Part B is assessed across the following skill areas:
  - research
  - present information/data
  - decision making – problem solving and analysis (compare and contrast)
  - review/evaluation of activity (personal and group)
  - methodology (planning/organisation/time management).
- Students' work can be submitted for moderation in May for each June examination series (first assessment of this unit is available from May 2010) for the lifetime of this qualification.

## Detailed unit content

### Topic 1.1 What is a business and what do businesses do?

Students will be assessed on their ability to:

#### Enterprise

- understand the nature and meaning of enterprise and the skills needed to be an entrepreneur and succeed in business
- understand why some businesses fail

#### Business activity

- understand that businesses carry out one or more activities, such as being involved with goods, services or both
- understand that most businesses face some kind of competition from others and the impact of ebusiness on competition

#### Business aims

- investigate the use of business aims and understand how they are used to plan and set targets for achievement, such as to make a profit, provide goods and services to the local or wider community, survive as a business or expand, maximise sales or improve the quality of a product, provide a highly competitive service, provide charitable or voluntary services, be environmentally friendly

#### Business objectives

- investigate the use of measurable business objectives in order to achieve business aims
- understand that objectives can set targets and challenges for the business, such as to provide more services than in the previous year, produce new goods or a new service, reduce waste by 10 per cent this year/recycle more by next year, improve a product
- evaluate how far the aims and objectives of a selected business have been met

**Topic 1.1** What is a business and what do businesses do? (*continued*)

Students will be assessed on their ability to:

**Business ownership**

- investigate the different types of business ownership, to include sole trader, partnership, private and limited company, co-operative, not for profit, franchise, public-sector body
- understand the meaning of 'limited' and 'unlimited liability' and the implications for business
- understand that ownership often reflects the size and scale of the business
- understand that different owners have different responsibilities and involvement in a business
- investigate the main features of different types of business ownership
- evaluate why the businesses they investigate have chosen a particular type of ownership

**The risk-reward ratio**

- understand that running a business has to balance risks against rewards
- identify and assess the risks that businesses take in setting up and running the business, particularly in the case of business closure when assets have to be disposed of in cases of insolvency ('unlimited' businesses) or liquidation ('limited' businesses)
- identify and assess the rewards that can arise from running a business
- evaluate the balance between risk and reward

**Ethical business**

- understand that for most businesses, profit remains the overriding aim and that other aims are secondary
- understand that businesses are increasingly being required by various social and political pressures to consider their wider ethical responsibilities
- consider how such social and political pressures can influence what businesses do
- investigate and analyse the extent to which issues such as Fairtrade, cheap imports or exploitation of market power have affected the selected business
- evaluate the extent to which the selected businesses demonstrate high ethical standards in their business operations

**Topic 1.2 How are businesses organised?**

Students will be assessed on their ability to:

**Organisation structures**

- investigate different types of organisation structure such as hierarchical, pyramid, centralised, collaborative, circular and matrix
- assess the impact that organisational structure has on business communications using selected businesses

**Functional areas**

- understand that in order to carry out its activities, such as making products and/or providing services, a business has to carry out a number of functions. These may include human resources, finance, administration, ICT, production, marketing and sales and customer service
- investigate the main aspects of the functional areas of a business
- understand that larger businesses may have different ways of structuring the functional areas they need compared to smaller businesses
- understand why some functional areas are focused on one department while others may be spread across several departments
- investigate and evaluate the functional areas of two selected businesses
- understand that each function plays a role but that they all depend on each other to achieve success in terms of meeting the stated aims and objectives of the business

**Communication between functional areas**

- understand that the different functional areas have to communicate with each other as well as with people outside the business, such as customers and suppliers
- investigate the methods of communication used in selected businesses such as oral communication (telephones, meetings, telephone conferencing), written communication (memos, letters, financial documents, advertisements, minutes, email attachments/documents), visual communication (images, advertisements, presentations, graphics), information technology (video conferencing, internet)
- evaluate the different methods of communication used in selected businesses



**Topic 1.3** Why are stakeholders so important?

Students will be assessed on their ability to:

**Stakeholders**

- understand that all businesses have stakeholders – people who have an interest in, or influence on, the business. Students are stakeholders in a school/college, customers are stakeholders in a shopping centre/store
- understand that stakeholders include owners, employees, customers, financiers, suppliers, the local community and the government
- identify and evaluate the main interests of the stakeholders in the businesses they are investigating
- evaluate how each type of stakeholder has an influence on the business and how the business responds to its stakeholders
- understand that tensions can exist between different stakeholders and that these may lead to potential conflicts between stakeholders
- identify and evaluate the ways in which businesses seek to meet conflicting stakeholder needs

**Why are customers important?**

- understand that businesses need to attract and keep customers happy because customers provide regular sales revenue and information about the success of a product/service, ensuring that a business remains competitive
- assess the difficulties of capturing and retaining customers

**The power of customers**

- understand the role of customer service in securing repeat purchase, attracting new customers, improving customer satisfaction and loyalty, and improving the image and reputation of the business
- show how aims and objectives and increasing market share can be achieved through meeting customer needs

**Topic 1.3** Why are stakeholders so important? (*continued*)

Students will be assessed on their ability to:

**The needs of different customers**

- identify the different types of customers served by business including internal and external customers (B2B and B2C)
- understand how businesses identify the needs of different kinds of customers, what businesses include as part of customer service and how they can make good use of employees and technology to improve the service
- understand that the features of customer service vary between different businesses

**Employees – their rights and responsibilities**

- understand that employers expect employees to meet the terms of their contracts, cooperate in meeting the objectives of the business, follow health and safety regulations and treat other employees with respect
- understand that employees expect to be paid according to their contract, provided with a safe working environment, appropriately trained, permitted to join trade unions or staff associations, allowed access to any confidential computer records kept on them as employees and be treated equally with other employees
- know that the law provides protection for all employers and employees
- know the main principles behind current laws covering equal pay, discrimination (linked to disability, gender, age and race), employment rights and working hours, health and safety and access to information such as personal records and data protection
- understand that disagreements at work can occur over the treatment of individual employees or groups of employees and identify which local, national and international organisations can be used where appropriate to help resolve disputes
- understand how disputes can be resolved using business grievance and disciplinary procedures, negotiations with trade unions or other representative organisations, employment tribunals, arbitration services (such as the Advisory, Conciliation and Arbitration Service (ACAS) for England, Scotland and Wales) and the European Court of Justice

## Assessment criteria

For the selected task teachers must mark the student's work using the assessment criteria specified below. Teachers should check carefully that students' work is their own and that it is not copied from research material without any attempt by the students to put the material into their own words.

Each task should be awarded marks as follows.

### **Part A: non-moderated internal assessment of personal and interpersonal skills**

- Total = 10 marks
- Not moderated

### **Part B: Edexcel-set controlled assessment task**

- Activity 1 = 30 marks
- Activity 2 = 30 marks
- Activity 3 = 30 marks
- Total for task = 90 marks
- Moderated by Edexcel

**Total for Part A and Part B = 100 marks.**

## Part A: Marking grid for non-moderated internal assessment of personal and interpersonal skills

### Personal and interpersonal skills

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Limited development of communication skills demonstrated across the activities of the task. Shows limited initiative and response when prompted. If task involved teamwork, limited contribution to teamwork activities.
3–5	Some development of communication skills demonstrated across the activities of the task. Some initiative shown, mostly responded when prompted with some input. If task involved teamwork, some contribution to teamwork activities.
6–8	Good development of communication skills demonstrated across the activities of the task. Good initiative shown at important stages, good input when prompted for response. If task involved teamwork, good contribution to teamwork activities.
9–10	Excellent development of communication skills demonstrated across the activities of the task. Led the team task with relevant and useful input both through own initiative and when prompted for responses. If task involved teamwork, excellent contribution to teamwork activities.
<b>Total for non-moderated internal assessment of personal and interpersonal skills = 10 marks</b>	

## Part B: Marking grids for Edexcel-set controlled assessment task: Activities 1, 2 and 3

### Activity 1

#### Research

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

### Present information/data

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

### \*Decision making – problem solving and analysis (compare and contrast)

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Limited evaluation of the tasks, personal and any group involvement.  Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 1 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.

**Activity 2****Research**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

**Present information/data**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

**\*Decision making – problem solving and analysis (compare and contrast)**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited evaluation of the tasks, personal and any group involvement. Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3-4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 2 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.



**Activity 3****Research**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

**Present information/data**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

**\*Decision making – problem solving and analysis (compare and contrast)**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited evaluation of the tasks, personal and any group involvement. Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3-4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 3 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.

## ■ Delivery of the controlled assessment task

Unit 1 is assessed through a controlled assessment task (internal assessment). The task is set by Edexcel and will be reviewed every two years to ensure that the task is still fit for purpose.

Students need to select two businesses to research (one must be a local business and the other either a national or an international business) and the centre will help guide students to find appropriate businesses to research and on which to base their research/ investigation. This allows the student to contextualise the task set.

The controlled assessment element of the qualification is centred around encouraging students to carry out research and investigation on the content of Unit 1, and **to apply this to a real local and a national or international business.**

Students have to produce work for the activities for each unit based on the investigation carried out and its application to their selected businesses. The activities will be designed to encourage the higher-order skills of analysis and evaluation (AO3).

Research and preparation *can be completed outside the centre*. The results can be recorded in writing or electronically, and can be taken in and out of the centre and referred to during controlled writing time. However, the teacher *must* inspect them and be satisfied that they are the students' own work.

Teachers will be responsible for supervising students' research and will also be responsible for supervising the writing up of the answers to the task, together with the marking of the work. The work will then be moderated by Edexcel (although the Part A marks for personal and interpersonal skills will not be included in this moderation process).

It is suggested that the time allowed for research is approximately eight weeks of curriculum time (a maximum of 24 hours) and approximately four weeks of curriculum time (a maximum of 12 hours) for the writing-up session(s).

Teachers must keep a written record to ensure that each student's 'writing time' has *not been exceeded*.

## Controlled conditions

The preparation and writing up of the task must take place under controlled conditions.

- The research/data collection can be completed under limited supervisory control.
- The results of the research and investigation carried out by students should be collected in a research folder.
- The research folder must be handed in to the teacher before the write-up sessions begin.
- Students will be allowed to write up their work only in a lesson, supervised by a teacher or invigilator at all times. Students will be allowed to use their research folders in the writing up of their answers to the selected task.
- The write-up will take place over several lessons (approximately four weeks of curriculum time – a maximum of 12 hours), so the student materials must be collected in at the end of each lesson and handed back at the beginning of the next lesson. It is the teacher's responsibility to securely keep the research folders between writing-up sessions. Students **must not** have access to these folders outside of these allotted sessions. Students' final write-up of the task must be produced individually.

## Levels of control

### Task setting – high level of control

The controlled assessment task will be set by Edexcel and will be reviewed every two years to ensure that the task is still fit for purpose.

### Task taking

#### (a) Research – limited level of control

Centres will help to guide students in finding appropriate businesses to research (one local and one national or international business) and on which to base their investigation. This will allow students to contextualise the controlled assessment task set by Edexcel. The research may be completed without direct supervision and will not contribute directly to assessable outcomes. Students are permitted to work in a group for the research stage of the task.

## ■ Levels of control (*continued*)

### **(b) Analysis and evaluation – medium level of control**

Students will have a designated session(s) of approximately 12 hours in total in which to complete the writing up. These sessions will be subject to informal supervision, ie supervision is confined to (i) ensuring that the contributions of individual students are recorded accurately, and (ii) ensuring that plagiarism does not take place. The teacher may provide limited guidance to students and assessable outcomes may be informed by group work that the student may have participated in as part of their research.

Students are required to submit for assessment their research folder and final write-up of the task.

## ■ Quality of written communication (QWC) for controlled assessment

Students will be assessed on their ability to:

- write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- select and use a form and style of writing appropriate to purpose and to complex subject matter
- organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

## Unit 2: Financial Records

Compulsory unit for all students

### Overview

#### Content overview

The content is structured into four topic areas, each of which states the content as a series of outcomes. Each topic requires students to undertake investigative and other learning activities as follows.

In **Topic 2.1**, students investigate the role, construction and importance of a range of financial documents, including purchase orders, invoices and credit notes, and statements.

In **Topic 2.2**, students investigate the nature, advantages and disadvantages of business payment methods, both cash and credit, and also the range and categorisation of business costs.

In **Topic 2.3**, students investigate the use, structure and content of financial statements, profit and loss and balance sheets in business.

In **Topic 2.4**, students investigate why these financial statements are important in business, and how their content is of use to various business stakeholders.

Each topic also requires students to consider the role and relevance of ICT in that topic area.

#### Assessment overview

**This unit will be externally assessed.**

- Written examination: 1 hour.
- The paper is untiered and questions are based on a given business scenario. Questions will consist of multiple-choice, objective test, short- and extended/long-answers.
- Students are required to answer all questions.
- The paper will be marked out of 60.
- Formulae will be provided in the examination.

## Detailed unit content

### Topic 2.1 Investigating the flow of financial documents used in business trading

Students will be assessed on their ability to:

#### Types of financial documents

- investigate the purpose and typical format of the following financial documents in this sequence:
  - (i) purchase orders
  - (ii) delivery notes
  - (iii) goods received notes
  - (iv) invoices
  - (v) credit notes
  - (vi) statements of account
  - (vii) remittance advice slips
  - (viii) cheques
  - (ix) receipts
- investigate the part that each document plays for a chosen business in the sequence of ordering, checking, recording and paying for its goods and/or services

#### Importance of financial documents

- complete examples of each document
- interpret and check the information on a given financial document in terms of its meaning, completeness and accuracy
- understand the importance to the chosen business of accuracy when these documents are being used
- understand how these financial documents provide the basic information for the chosen business's accounts
- evaluate the importance of these financial documents to a business

#### Computerised accounting systems

- investigate how computerised accounting systems are used to store and manipulate information from such documents
- understand the advantages and disadvantages of using computerised accounting systems and ICT compared with manual systems when dealing with financial documents

**Topic 2.2 Investigating business payment methods and costs**

Students will be assessed on their ability to:

**Types of cash and non-cash payment methods**

- investigate why a chosen business uses some or all of the following cash and non-cash payment methods:
  - (i) cash
  - (ii) cheques
  - (iii) credit cards
  - (iv) debit cards
  - (v) credit transfer and direct debit
  - (vi) e-cheques and other online payments
- understand how each payment method works
- investigate the related costs associated with each payment method
- investigate the time taken by each payment method
- investigate the advantages and disadvantages to business of accepting and using electronic payment methods

**Sources of revenue and costs**

- investigate a chosen business's sources of revenue and its following costs:
  - (i) start-up costs (for example paying for initial market research, buying premises and other opening assets)
  - (ii) running costs
- compare and contrast this business's costs with those from the same and other industrial sectors (primary, secondary and tertiary)
- investigate the role played by ICT in helping to reduce costs, for example how using barcodes to record sales makes it possible to keep very low stock levels and therefore reduce buying and storage costs



**Topic 2.3 Investigating the nature of financial statements in business**

Students will be assessed on their ability to:

**Profit and loss account**

- understand that a profit and loss account shows a business's financial performance over a period of time, and that a balance sheet shows its financial position at a point in time
- investigate the following financial statements for a chosen business:
  - (i) profit and loss account (including a trading section)
  - (ii) balance sheet

**Terminology in financial statements**

- understand the meaning of, and the difference between, the following terms used in these financial statements:
  - (i) turnover (net sales) and cost of sales (cost of goods sold)
  - (ii) gross profit, expenses and net profit (including retained profit)
  - (iii) fixed assets and current assets
  - (iv) current liabilities and long-term liabilities
  - (v) working capital (net current assets) and capital (including share capital)
- understand the format of a simple profit and loss account (including a trading section)
- calculate profit/loss using a simple profit and loss account or other format (for example list of expenses and revenues)

**Balance sheet**

- understand the format of a simple balance sheet
- categorise total assets and liabilities using a simple balance sheet or other format (for example two-column table)
- investigate the role that ICT does or might play in helping a business to calculate its profit and to construct its financial statements

**Topic 2.4 Investigating the importance of financial statements to business**

Students will be assessed on their ability to:

**Profitability ratios**

- understand the difference between cash and profit, and between liquidity and profitability
- comment on profit or loss calculated and on asset and liability totals for a chosen business
- calculate the following profitability ratios from given formulae:
  - (i) gross profit margin (gross profit as a percentage of turnover)
  - (ii) net profit margin (net profit as a percentage of turnover)
  - (iii) return on capital employed (net profit as a percentage of capital employed)
- comment on the results of these and other calculations

**Liquidity ratios**

- calculate the following liquidity ratios from given formulae:
  - (i) acid test ratio
  - (ii) current ratio
- comment on the results of these and other calculations

**Importance of financial statements to stakeholders**

- investigate how these financial statements could be of interest to the following stakeholders of the chosen business:
  - (i) owner(s)
  - (ii) managers and employees
  - (iii) lenders
  - (iv) government
  - (v) customers and suppliers
- investigate the role that ICT does or might play in helping a business to interpret its financial statements

## Unit 3: Investigating People, Business and Change

Compulsory unit for Double Award only

### Overview

#### Content overview

This unit will develop some of the themes from Unit 1, looking particularly at the factors that allow businesses to develop, the issues these raise and their effects on the people involved. The initial focus is on customers and employees, and then the unit investigates how businesses respond to technological, economic, social and environmental factors and students again choose two businesses to research.

The content is structured into three topic areas, each of which states the content as a series of outcomes. Each topic requires students to undertake investigative and other learning activities as follows.

In **Topic 3.1**, students investigate the people involved in business such as customers and employees. They also consider recruitment, selection and training.

In **Topic 3.2**, students investigate factors which may allow a business to develop and grow, such as market trends and the location selected for the business.

In **Topic 3.3**, students investigate the effect of external factors on business, such as competition and economic conditions of the market, and the role played by the government in the management of the economy.

**Each topic within this unit should be applied by the student relating the topic content to examples of at least two selected, real businesses, one local and one national or international.**

## Assessment overview

### **This unit is internally assessed under controlled conditions.**

- A task covering the unit content will be provided by Edexcel, available on the Edexcel website from June each academic year (for assessment in the next academic year) and reviewed every two years to ensure that the task is still fit for purpose.
- Students are required to choose two businesses (one locally based business and one with a national or international presence) and research them in order to complete the task.
- Students will be expected to compile a portfolio of research findings from their business investigations and apply this as a basis for the activities undertaken within the controlled assessment task.
- Researching the task should take approximately eight curriculum weeks of time (a maximum of 24 hours) and can be completed under limited supervision. The informally supervised writing-up session(s) should take approximately four weeks of curriculum time (a maximum of 12 hours) (see *Levels of control* section on page 55). Students' final write-up of the task must be produced individually.
- The total marks for the task (100 marks) are divided into two parts:
  - Part A: non-moderated internal assessment of personal and interpersonal skills (10 marks) assessed by the teacher
  - Part B: an Edexcel-set controlled assessment task (90 marks) assessed by the teacher and moderated by Edexcel.
- The Edexcel-set controlled assessment task (Part B) is divided into three activities worth 30 marks each to make up the total of 90 marks. Part B is assessed across the following skill areas:
  - research
  - present information/data
  - decision making – problem solving and analysis (compare and contrast)
  - review/evaluation of activity (personal and group)
  - methodology (planning/organisation/time management).
- Students' work can be submitted for moderation in May for each June examination series (first assessment of this unit is available from May 2010) for the lifetime of this qualification.

## Detailed unit content

### Topic 3.1 Why are people so important?

Students will be assessed on their ability to:

#### Customer needs, expectations and satisfaction

- recognise the importance of anticipating and identifying customer needs
- identify customer expectations (both internal and external customers) to include good-value products, rapid response to enquiries, clear and honest information (for example price and delivery, information about suitable products, help with individual or general issues) and care and attention (for example direct person-person contact, after-sales service)

#### Measuring and monitoring

- understand how businesses measure customer satisfaction by analysing sales performance such as sales levels, numbers of customers, loyalty card records, recording the number of complaints and/or returned goods and making comparisons with competitors
- understand and evaluate what selected businesses do to monitor and maintain the quality of customer service offered
- evaluate how monitoring and maintaining the quality of customer service offered may be improved

#### Research

- understand and evaluate how selected businesses carry out market research to collect feedback from customers using 'on-the-spot' questions from staff, observation, questionnaires, customer panels or interviews, websites and email

**Topic 3.1** Why are people so important? (*continued*)

Students will be assessed on their ability to:

**Employees – recruitment**

- understand the role of the employee in a business
- understand that employees with the right skills and attitudes have to be recruited and trained
- understand that the recruitment process has to be managed to meet the particular needs of the business as well as to meet legal requirements
- appreciate that the right person for a new post can be found by developing an existing employee or by recruiting new staff
- evaluate their own skills as a future employee and how to best present those to an employer
- understand the recruitment process, including identifying the vacancy, drawing up a job description, drawing up a person specification, advertising the vacancy, shortlisting applicants, interviewing applicants, selecting and appointing the most appropriate candidate and online recruitment
- identify the legal and ethical rules that affect the recruitment process

**Employees – training**

- evaluate the different ways in which businesses can develop and train staff, including the use of ongoing training for all staff, the use of appraisal or performance reviews, retraining to use new technology or new working practices and the use of national awards such as Investors in People and National Training Awards

**Applying for a job**

- understand the need to present a clear record of their achievements to date when applying for a job
- be able to draw up the appropriate content/layout of a curriculum vitae (CV) for different individuals (including themselves)
- complete an application form for an appropriate job and prepare for an interview or other job tests
- evaluate the key features of a good CV, letter of application and interview performance

**Topic 3.1** Why are people so important? (*continued*)

Students will be assessed on their ability to:

**Roles and working arrangements of employees**

- understand that for a business to be successful, everyone must know what they and others should be doing
- understand how job roles are defined in business using organisation charts and job descriptions
- investigate the key job roles in a medium/large-sized business including managers, supervisors, operatives and support staff
- analyse job roles in terms of key responsibilities, specific tasks, job security, skills, qualifications, personal qualities and the related pay and benefits
- know the basis of the formal agreements known as employment contracts which are agreed by employers and employees
- understand that employment contracts cover permanent and temporary work, full- and part-time work, shift work, flexitime, overtime and leave
- understand the importance of flexibility and why and how working arrangements may need to change
- identify the effects of these changes on both employers and employees

**Topic 3.2** How do businesses develop?

Students will be assessed on their ability to:

**Protecting the customer and the business**

- understand that the law provides protection for both businesses and customers
- understand the main principles behind current consumer laws covering health and safety, sales and labelling of products and the misuse of information, and evaluate why these laws are necessary
- understand what happens in the event of a customer complaint

**Market trends**

- investigate whether their chosen businesses are part of a growing, static or shrinking market and why
- understand trends of economic activity for the sector to which their businesses belong. Certain types of business are 'fashionable' – some supply basic goods and services and so demand is steady while others seem unable to stay open for long
- investigate these trends in their own locality and evaluate the reasons behind them

**Location**

- understand that businesses locate to where they believe they will be successful and understand and evaluate the factors that influence this decision. These may include costs, availability of staff, transport, suppliers, competition, customers, or there may simply be personal or historic reasons
- identify and evaluate the reasons why their chosen businesses have selected their present locations
- identify and evaluate the reasons for other location choices
- evaluate the possibility of relocation



**Topic 3.3** What are external factors?

Students will be assessed on their ability to:

**Business competitors**

- understand that most businesses face some kind of competition from others as they try to win and retain customers
- identify the main features which make products competitive. These might include price, quality and availability
- identify the ways in which different products can be linked to different kinds of customers according to age, gender, income, lifestyle or where they live
- understand how the use of new technologies, such as e-business, has made it possible for businesses to compete for customers who have IT access
- identify and analyse possible competitors for their selected businesses

**Economic conditions**

- understand that all businesses have to operate within the economic conditions of the market. These may include whether the economy is stable, the effect of inflation, what is happening to interest rates, commodity prices and the price of raw materials, how confident consumers are and, if trading internationally, the effect of changes in exchange rates for both importers and exporters
- understand the role played by the government in the management of the economy so far as it affects the selected businesses so that businesses can confidently plan their future activities and customers can plan their spending and saving activities
- identify and evaluate how the selected businesses and their customers might be affected by changes in economic conditions

**Topic 3.3** What are external factors? (*continued*)

Students will be assessed on their ability to:

**Environmental constraints**

- understand that many business activities can have damaging effects on the quality of the local and national environment
- understand that laws have been made to prevent, wherever possible, damage to people and natural resources
- understand how laws aim to constrain irresponsible businesses but responsible businesses often set higher standards for themselves
- identify and evaluate how business activity may cause air pollution, noise pollution, water pollution and wasteful use of resources
- investigate how far businesses can go to ensure waste is reduced and more products are recycled
- identify and evaluate what their selected businesses are doing within the organisation to reduce waste and to recycle
- investigate current laws which prevent harmful waste products being released and which regulate business activity

### Assessment criteria

For the selected task teachers must mark the student's work using the assessment criteria specified below. Teachers should check carefully that students' work is their own and that it is not copied from research material without any attempt by the students to put the material into their own words.

Each task should be awarded marks as follows.

#### **Part A: non-moderated internal assessment of personal and interpersonal skills**

- Total = 10 marks
- Not moderated

#### **Part B: Edexcel-set controlled assessment task**

- Activity 1 = 30 marks
- Activity 2 = 30 marks
- Activity 3 = 30 marks
- Total for task = 90 marks
- Moderated by Edexcel

**Total for Part A and Part B = 100 marks.**

## Part A: Marking grid for non-moderated internal assessment of personal and interpersonal skills

### Personal and interpersonal skills

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Limited development of communication skills demonstrated across the activities of the task. Shows limited initiative and response when prompted. If task involved teamwork, limited contribution to teamwork activities.
3–5	Some development of communication skills demonstrated across the activities of the task. Some initiative shown, mostly responded when prompted with some input. If task involved teamwork, some contribution to teamwork activities.
6–8	Good development of communication skills demonstrated across the activities of the task. Good initiative shown at important stages, good input when prompted for response. If task involved teamwork, good contribution to teamwork activities.
9–10	Excellent development of communication skills demonstrated across the activities of the task. Led the team task with relevant and useful input both through own initiative and when prompted for responses. If task involved teamwork, excellent contribution to teamwork activities.
<b>Total for non-moderated internal assessment of personal and interpersonal skills = 10 marks</b>	

## Part B: Marking grids for Edexcel-set controlled assessment task: Activities 1, 2 and 3

### Activity 1

#### Research

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

### Present information/data

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

### \*Decision making – problem solving and analysis (compare and contrast)

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Limited evaluation of the tasks, personal and any group involvement. Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 1 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.

**Activity 2****Research**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

**Present information/data**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

**\*Decision making – problem solving and analysis (compare and contrast)**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited evaluation of the tasks, personal and any group involvement. Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3-4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 2 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.



**Activity 3****Research**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Research from limited sources with limited focus on the task.
3–4	Research from a range of sources with some focus on the task.
5–6	Research from a range of relevant sources with good selectivity, organisation and focus on the task.

**Present information/data**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Information/data presented in a basic way with little attention to detail and presentation skills.
3–4	Information/data presented clearly, showing good attention to detail and presentation skills.
5–6	Information/data presented in a clear, well-structured layout with a high level of attention to detail and presentation skills.

**\*Decision making – problem solving and analysis (compare and contrast)**

Mark range	Descriptor
0	Level of response not worthy of credit.
1–2	Basic analysis of presented information/data showing limited understanding of any patterns. Basic comparisons and contrasts where appropriate to task. Quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3–4	Some analysis of presented information/data showing reasonable understanding of patterns and trends and some comparisons and contrasts where appropriate to task. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5–6	Detailed analysis of presented information/data showing good understanding of patterns and trends and relevant and comprehensive comparisons and contrasts where appropriate to task. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of analysis in the answer.

### \*Review/evaluation of activity (personal and group)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited evaluation of the tasks, personal and any group involvement. Limited value judgements made. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.
3-4	Some evaluation of the task, personal and any group involvement. Some value judgements made with supporting evidence. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. Quality of written communication will be good with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter; however it will not be used as confidently as a response that will merit 5 or 6 marks.
5-6	Detailed evaluations of the task, personal and any group involvement. Detailed value judgements made with fully supported evidence. Quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence of evaluation in the answer.

### Methodology (planning/organisation/time management)

Mark range	Descriptor
0	Level of response not worthy of credit.
1-2	Limited organisation skills evidenced during the task. Limited planning and time management evidenced throughout the task.
3-4	Some good organisational skills evidenced during the task. Some good use of planning and time management evidenced during the task.
5-6	Excellent organisational skills evidenced during the task. Excellent use of planning and time management evidenced during the task.
<b>Total for Activity 3 = 30 marks</b>	

\* Indicates opportunity for students to be assessed on Quality of Written Communication – Strands (i), (ii) and (iii):

Students will be assessed on their ability to:

- (i) write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
- (iii) organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

Marks for the selected task should be recorded on the controlled assessment record sheet – a draft example of this can be found in *Appendix 4*.

### ■ Delivery of the controlled assessment task

Unit 3 is assessed through a controlled assessment task (internal assessment). The task is set by Edexcel and will be reviewed every two years to ensure that the task is still fit for purpose.

Students need to select two businesses to research (one must be a local business and the other either a national or an international business) and the centre will help guide students to find appropriate businesses to research and on which to base their research/investigation. This allows the student to contextualise the task set.

The controlled assessment element of the qualification is centred around encouraging students to carry out research and investigation on the content of Unit 3, and **to apply this to a real local and a national or international business.**

Students have to produce work for the activities for each unit based on the investigation carried out and its application to their selected businesses. The activities will be designed to encourage the higher-order skills of analysis and evaluation (AO3).

Research and preparation *can be completed outside the centre*. The results can be recorded in writing or electronically, and can be taken in and out of the centre and referred to during controlled writing time. However, the teacher *must* inspect them and be satisfied that they are the students' own work.

Teachers will be responsible for supervising students' research and will also be responsible for supervising the writing up of the answers to the task, together with the marking of the work. The work will then be moderated by Edexcel (although the Part A marks for personal and interpersonal skills will not be included in this moderation process).

It is suggested that the time allowed for research is approximately eight weeks of curriculum time (a maximum of 24 hours) and approximately four weeks of curriculum time (a maximum of 12 hours) for the writing-up session(s).

Teachers must keep a written record to ensure that each student's 'writing time' has *not been exceeded*.

### Controlled conditions

The preparation and writing up of the task must take place under controlled conditions.

- The research/data collection can be completed under limited supervisory control.
- The results of the research and investigation carried out by students should be collected in a research folder.
- The research folder must be handed in to the teacher before the write-up sessions begin.
- Students will be allowed to write up their work only in a lesson, supervised by a teacher or invigilator at all times. Students will be allowed to use their research folders in the writing up of their answers to the selected task.
- The write-up will take place over several lessons (approximately four weeks of curriculum time – a maximum of 12 hours), so the student materials must be collected in at the end of each lesson and handed back at the beginning of the next lesson. It is the teacher's responsibility to keep the research folders secure between writing-up sessions. Students **must not** have access to these folders outside of these allotted sessions. Students' final write-up of the task must be produced individually.

### Levels of control

#### Task setting – high level of control

The controlled assessment task will be set by Edexcel and will be reviewed every two years to ensure that the task is still fit for purpose.

#### Task taking

##### (a) Research – limited level of control

Centres will help to guide students in finding appropriate businesses to research (one local and one national or international business) and on which to base their investigation. This will allow students to contextualise the controlled assessment task set by Edexcel. The research may be completed without direct supervision and will not contribute directly to assessable outcomes. Students are permitted to work in a group for the research stage of the task.

### ■ Levels of control (*continued*)

#### **(b) Analysis and evaluation – medium level of control**

Students will have a designated session(s) of approximately 12 hours in total in which to complete the writing up. These sessions will be subject to informal supervision, ie supervision is confined to (i) ensuring that the contributions of individual students are recorded accurately, and (ii) ensuring that plagiarism does not take place. The teacher may provide limited guidance to students and assessable outcomes may be informed by group work that the student may have participated in as part of their research.

Students are required to submit for assessment their research folder and final write-up of the task.

### ■ Quality of written communication (QWC) for controlled assessment

Students will be assessed on their ability to:

- write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- select and use a form and style of writing appropriate to purpose and to complex subject matter
- organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

## Unit 4: Financial Planning and Forecasting

Compulsory unit for Double Award only

### Overview

#### Content overview

The content is structured into four topic areas, each of which states the content as a series of outcomes. Each topic requires learners to undertake investigative and other learning activities as follows.

In **Topic 4.1**, students investigate how business cash-flow forecasts are prepared, and how they can be interpreted.

In **Topic 4.2**, students investigate the role and construction of a range of business budgets, and how these can be used in budgetary control.

In **Topic 4.3**, students investigate the construction, interpretation and limitations of break-even analysis as a forecasting tool.

In **Topic 4.4**, students investigate a range of sources of finance in the context of different businesses, and the nature and importance of financial planning in business.

Each topic also requires students to consider the role and relevance of ICT in that topic area.

#### Assessment overview

**This unit will be externally assessed.**

- Written examination: 1 hour.
- The paper is untiered and questions are based on a given business scenario. Questions will consist of multiple-choice, objective test, short- and extended/long-answers.
- Students are required to answer all questions.
- The paper will be marked out of 60.
- Formulae will be provided in the examination.

## Detailed unit content

### Topic 4.1 Investigating business cash-flow forecasts

Students will be assessed on their ability to:

#### Cash-flow statement

- understand the difference between a summary cash-flow statement of recent cash flows and a cash-flow forecast

#### Liquidity

- explain the importance of liquidity to a chosen business
- investigate the chosen business's cash inflows and outflows, and compare these with businesses from the same and different industrial sectors (primary, secondary and tertiary)

#### Importance of cash-flow forecasts

- investigate how the preparation of cash-flow forecasts can help the chosen business to decide whether or not to:
  - (i) produce new goods/services
  - (ii) invest in new resources
  - (iii) carry out new activities, or expand or reduce existing ones
  - (iv) complete a simple cash-flow forecast that shows:
    - individual and total inflows (receipts)
    - individual and total outflows (payments)
    - net inflows/outflows
    - opening and closing balances
- interpret the figures shown by a cash-flow forecast and identify possible issues for the business or its stakeholders resulting from anticipated cash surpluses and/or deficits

#### Use of spreadsheets

- use an appropriate spreadsheet package to prepare a cash-flow statement
- investigate the advantages and disadvantages of using electronic spreadsheets to prepare such statements and to predict the impact of changes in items on the inflows and outflows of cash

**Topic 4.2 Investigating business budgets**

Students will be assessed on their ability to:

**Budgeting and budgetary control**

- understand the purpose of budgeting as the act of establishing and setting expenditure and revenue budgets
- understand the difference between budgeting and budgetary control (checking performance against plan)
- understand how the act of budgeting and the results of budgetary control can both be used to motivate employees

**Different types of budget**

- understand the nature of, and difference between, the following business budgets:
  - (i) sales
  - (ii) production
  - (iii) purchases (materials)
  - (iv) labour
  - (v) overheads
  - (vi) cash
  - (vii) capital expenditure
  - (viii) profit and loss

**Interpreting budgets**

- investigate the range of budgets used, or likely to be used, by a chosen business
- calculate simple sales and production budget figures and comment on the results
- understand the difference between favourable and adverse variances, the likely reasons for such variances, and how the results of variance analysis can inform business decisions
- investigate how ICT can support and assist the budgeting process in business



**Topic 4.3 Investigating break-even analysis in business**

Students will be assessed on their ability to:

**Break-even analysis and break-even point**

- understand the following terms:
  - (i) 'break even', break-even analysis and break-even point
  - (ii) margin of safety
  - (iii) area of profit and area of loss
  - (iv) fixed costs, variable costs and total costs
  - (v) total revenue
  - (vi) investigate the relevance of break-even analysis to a chosen business
  - (vii) construct a fully-labelled break-even graph from given information
- calculate the break-even point using the following formula:

$$\text{Break-even point} = \frac{\text{fixed costs}}{\text{selling price per unit less variable cost per unit}}$$

- indicate the break-even level of output and/or sales revenue from given numerical information, and interpret an existing break-even graph or set of break-even figures

**Uses and limitations**

- understand how break-even analysis can be used to estimate the likely profitability of a business activity and to help make decisions about changing costs or revenues
- understand the limitations of break-even analysis
- investigate how ICT can be used to support and assist break-even analysis

**Topic 4.4 Investigating sources of business finance and financial planning**

Students will be assessed on their ability to:

**Sources of business finance**

- understand the following range of sources of business finance:
  - (i) funds from the owner(s)
  - (ii) selling shares
  - (iii) retained profits
  - (iv) loans
  - (v) government grants
  - (vi) hiring and leasing
  - (vii) selling surplus assets
  - (viii) trade credit
  - (ix) venture capital
- understand why businesses may plan different sources of finance for different purposes or at different stages, for example the relevance of each source to a new or recently established business
- investigate the range of sources of business finance being used by a chosen business, and why each source is appropriate for this business
- investigate the role of ICT in obtaining, recording and monitoring sources of finance

**Purpose of financial planning documents**

- understand the purpose of the following financial planning documents:
  - (i) cash-flow forecast
  - (ii) break-even analysis information (for example chart)
  - (iii) forecast final accounts (profit and loss, balance sheet)
  - (iv) understand how such documents can be used to plan for:
    - business expansion or contraction
    - the costs of unexpected events
    - changes in the costs of the business

**Topic 4.4** Investigating sources of business finance and financial planning (*continued*)

Students will be assessed on their ability to:

**Purpose of financial planning documents (continued)**

- investigate how a chosen business's financial plans are of use to:
  - (i) the whole business
  - (ii) its departments/functions
  - (iii) its investors
  - (iv) its lenders/creditors
- investigate the role of ICT in financial planning

# B Assessment

## Assessment summary

GCSE in Applied Business:

- Unit 1 is internally assessed under controlled conditions.
- Unit 2 is externally assessed through a one-hour paper.

GCSE in Applied Business (Double Award):

- Unit 1 is internally assessed under controlled conditions.
- Unit 2 is externally assessed through a one-hour paper.
- Unit 3 is internally assessed under controlled conditions.
- Unit 4 is externally assessed through a one-hour paper.

## Summary of table of assessment

### Unit 1: Investigating How Businesses Work

Unit code: 5AB01

- Internal controlled assessment.
- Students complete Edexcel-set tasks with a total of 100 marks.
- Research/investigation – approximately eight curriculum weeks of time (a maximum of 24 hours).
- Final write-up – approximately four curriculum weeks of time (a maximum of 12 hours).
- Tasks are internally marked by teachers and moderated by Edexcel.

### Unit 2: Financial Records

Unit code: 5AB02

- A one-hour untiered examination marked out of 60 suitable for all levels of students.
- Questions will comprise a combination of multiple choice, short and extended answer, data response and scenario-based questions with a total of 60 marks.

**Unit 3: Investigating People, Business and Change** **Unit code: 5AB03**

- Internal controlled assessment.
- Students complete Edexcel-set tasks with a total of 100 marks.
- Research/investigation – approximately eight curriculum weeks of time (a maximum of 24 hours).
- Final write-up – approximately four curriculum weeks of time (a maximum of 12 hours).
- The task is internally marked by teachers and moderated by Edexcel.

**Unit 4: Financial Planning and Forecasting** **Unit code: 5AB04**

- A one-hour untiered examination marked out of 60 suitable for all levels of students.
- Questions will comprise a combination of multiple choice, short and extended answer, data response and scenario-based questions with a total of 60 marks.

## Assessment Objectives and weightings

	<b>% in GCSE Short Course</b>	<b>% in GCSE</b>
AO1 Recall, select and communicate their knowledge and understanding of concepts, issues and terminology.	30%	30%
AO2 Apply skills, knowledge and understanding in a variety of contexts and in planning and carrying out investigations and tasks.	44%	44%
AO3 Analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions.	26%	26%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

## Relationship of Assessment Objectives to units

Unit number	Assessment Objective			Total for AO1, AO2 and AO3
	AO1	AO2	AO3	
Unit 1	8%	12%	10%	30%
Unit 2	7%	10%	3%	20%
Unit 3	8%	12%	10%	30%
Unit 4	7%	10%	3%	20%
Total for GCSE and GCSE Double Award	30%	44%	26%	100%

## Entering your students for assessment

### Student entry

Details of how to enter students for this qualification can be found in Edexcel's *Information Manual*, a copy is sent to all examinations officers. The information can also be found on Edexcel's website: [www.edexcel.com](http://www.edexcel.com)

There is a requirement that at least 40 per cent of the assessment must be taken in the examination series in which certification is requested. The final qualification grade will include assessment results which satisfy this terminal requirement.

### Forbidden combinations and classification code

Centres should be aware that students who enter for more than one GCSE qualification with the same classification code will have only one grade (the highest) counted for the purpose of the school and college performance tables.

Students should be advised that, if they take two specifications with the same classification code, schools and colleges are very likely to take the view that they have achieved only one of the two GCSEs. The same view may be taken if students take two GCSE specifications that have different classification codes but have significant overlap of content. Students who have any doubts about their subject combinations should check with the institution to which they wish to progress before embarking on their programmes.

## Access arrangements and special requirements

Edexcel's policy on access arrangements and special considerations for GCE, GCSE, and Entry Level aims to enhance access to the qualifications for students with disabilities and other difficulties (as defined by the Disability Discrimination Act 1995 and the amendments to the Act) without compromising the assessment of skills, knowledge, understanding or competence.

Please see the Edexcel website ([www.edexcel.com](http://www.edexcel.com)) for:

- the Joint Council for Qualifications (JCQ) policy *Access Arrangements and Special Considerations, Regulations and Guidance Relating to students who are Eligible for Adjustments in Examinations*.
- the forms to submit for requests for access arrangements and special considerations
- dates for submission of the forms.

Requests for special considerations must be addressed to:

Special Requirements  
Edexcel  
One90 High Holborn  
London WC1V 7BH

## Disability Discrimination Act (DDA)

Please see the Edexcel website ([www.edexcel.com](http://www.edexcel.com)) for information with regard to the Disability Discrimination Act.

## Controlled assessment

In controlled assessments, control levels are set for three linked processes: task setting, task taking and task marking. The control levels (high, medium or limited) are dependent on the subject) are set for each process so that the overall level of control secures validity and reliability, provides good manageability for all involved and allows teachers to authenticate the student work confidently.

The summary of the controlled conditions for this specification are shown below.

### Summary of conditions for controlled assessment

The preparation and writing up of the task must take place under controlled conditions.

- The research/data collection can be completed under limited supervisory control.
- The results of the research and investigation carried out by students should be collected in a research folder.
- The research folder must be handed in to the teacher before the write-up sessions begin.
- Students will be allowed to write up their work only in a lesson, supervised by a teacher or invigilator at all times. Students will be allowed to use their research folders in the writing up of their answers to the selected task.
- The write-up will take place over several lessons (approximately four weeks of curriculum time – a maximum of 12 hours), so the student materials must be collected in at the end of each lesson and handed back at the beginning of the next lesson. It is the teacher's responsibility to keep the research folders secure between writing-up sessions. Students **must not** have access to these folders outside of these allotted sessions. Students' final write-up of the task must be produced individually.

### Internal standardisation

Teachers must show clearly how the marks have been awarded in relation to the assessment criteria. If more than one teacher in a centre is marking students' work, there must be a process of internal standardisation to ensure that there is consistent application of the assessment criteria.



### Authentication

All students must sign an authentication statement. Statements relating to work not sampled should be held securely in your centre. Those which relate to sampled students must be attached to the work and sent to the moderator. In accordance with a revision to the current Code of Practice, any candidate unable to provide an authentication statement will receive zero credit for the component. Where credit has been awarded by a centre-assessor to sampled work without an accompanying authentication statement, the moderator will inform Edexcel and the mark will be adjusted to zero.

### Further information

For more information on annotation, authentication, mark submission and moderation procedures, please refer to the *Edexcel GCSE in Applied Business and Edexcel GCSE in Applied Business (Double Award): Instructions and administrative documentation for internally assessed units* document, which is available on the Edexcel website.

For up-to-date advice on teacher involvement, please refer to the JCQ *Instructions for conducting coursework/portfolio* document on the JCQ website: [www.jcq.org.uk](http://www.jcq.org.uk). For up-to-date advice on malpractice and plagiarism, please refer to the JCQ *Suspected Malpractice in Examinations: Policies and Procedures and Instructions for conducting coursework/portfolio* documents on the JCQ website.

## Assessing your students

The first assessment opportunity for Unit 2 of this qualification will take place in the June 2010 series and in each following January and June series for the lifetime of the specification.

The first assessment opportunity for Units 1, 3 and 4 of this qualification will take place in the June 2010 series and in each following June series for the lifetime of the specification.

### Your student assessment opportunities

Unit	June 2010	January 2011	June 2011	January 2012
Unit 1: Investigating How Businesses Work	✓		✓	
Unit 2: Financial Records	✓	✓	✓	✓
Unit 3: Investigating People, Business and Change	✓		✓	
Unit 4: Financial Planning and Forecasting	✓		✓	

## Awarding and reporting

The grading, awarding and certification of this qualification will comply with the requirements of the current GCSE/GCE Code of Practice for courses starting in September 2009, which is published by the Qualifications and Curriculum Authority (QCA). The GCSE qualification will be graded and certificated on an eight-grade scale from A\* to G. The GCSE Double Award qualification will be graded and certificated on a 15-grade scale from A\*A\* to GG. Individual unit results will be reported.

The first certification opportunity for the Edexcel GCSE and Edexcel GCSE Double Award in Applied Business will be 2011.

Students whose level of achievement is below the minimum judged by Edexcel to be of sufficient standard to be recorded on a certificate will receive an unclassified U result.

## Unit results

The minimum uniform marks required for each grade for each unit:

### Unit 1

Unit grade	<b>*A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Maximum uniform mark = 120	<b>108</b>	<b>96</b>	<b>84</b>	<b>72</b>	<b>60</b>	<b>48</b>	<b>36</b>	<b>24</b>

Students who do not achieve the standard required for a grade G will receive a uniform mark in the range 0–23.

### Unit 2

Unit grade	<b>*A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Maximum uniform mark = 80	<b>72</b>	<b>64</b>	<b>56</b>	<b>48</b>	<b>40</b>	<b>32</b>	<b>24</b>	<b>16</b>

Students who do not achieve the standard required for a grade G will receive a uniform mark in the range 0–15.

### Unit 3

Unit grade	<b>*A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Maximum uniform mark = 120	<b>108</b>	<b>96</b>	<b>84</b>	<b>72</b>	<b>60</b>	<b>48</b>	<b>36</b>	<b>24</b>

Students who do not achieve the standard required for a grade G will receive a uniform mark in the range 0–23.

### Unit 4

Unit grade	<b>*A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Maximum uniform mark = 80	<b>72</b>	<b>64</b>	<b>56</b>	<b>48</b>	<b>40</b>	<b>32</b>	<b>24</b>	<b>16</b>

Students who do not achieve the standard required for a grade G will receive a uniform mark in the range 0–15.

### Qualification results

The minimum uniform marks required for each grade:

#### GCSE in Applied Business cash-in code 2AB01

Qualification grade	<b>*A</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Maximum uniform mark = 200	<b>180</b>	<b>160</b>	<b>140</b>	<b>120</b>	<b>100</b>	<b>80</b>	<b>60</b>	<b>40</b>

Students who do not achieve the standard required for a grade G will receive a uniform mark in the range 0–39.

#### GCSE in Applied Business (Double Award) cash-in code 2AB02

Qualification grade	<b>*A</b> <b>*A</b>	<b>A*</b> <b>A</b>	<b>A</b> <b>A</b>	<b>A</b> <b>B</b>	<b>B</b> <b>B</b>	<b>B</b> <b>C</b>	<b>C</b> <b>C</b>	<b>C</b> <b>D</b>	<b>D</b> <b>D</b>	<b>D</b> <b>E</b>	<b>E</b> <b>E</b>	<b>E</b> <b>F</b>	<b>F</b> <b>F</b>	<b>F</b> <b>G</b>	<b>G</b> <b>G</b>
Maximum uniform mark = 400	<b>360</b>	<b>340</b>	<b>320</b>	<b>300</b>	<b>280</b>	<b>260</b>	<b>240</b>	<b>220</b>	<b>200</b>	<b>180</b>	<b>160</b>	<b>140</b>	<b>120</b>	<b>100</b>	<b>80</b>

Students who do not achieve the standard required for a grade GG will receive a uniform mark in the range 0–79.

### Resitting of units

Students can resit a unit once before claiming certification for the qualification. For internally assessed units students will need to retake the entire assessment requirements for that unit.

At least 40 per cent of the assessment must be taken in the examination series in which certification is requested and the results from these assessments must be used. Therefore, any previous, banked results for the unit(s) that are being used to satisfy the terminal requirement cannot be used even if they are better than the results achieved in the terminal series.

Results of units held in Edexcel's unit bank have a shelf-life limited only by the shelf-life of this specification, and subject to the terminal requirement, these unit results may be re-used after certification.

### Language of assessment

Assessment of this specification will be available in English only. Assessment materials will be published in English only and all work submitted for examination and moderation must be produced in English.

### Quality of written communication

Students will be assessed on their ability to:

- write legibly, with accurate use of spelling, grammar and punctuation in order to make the meaning clear
- select and use a form and style of writing appropriate to purpose and to complex subject matter
- organise relevant information clearly and coherently, using specialist vocabulary when appropriate.

### Stretch and challenge

Students can be stretched and challenged in all units through the use of different assessment strategies, for example:

- using a variety of stems in questions – for example analyse, evaluate, discuss, compare
- ensuring connectivity between sections of questions
- a requirement for extended writing
- use of a wider range of question types to address different skills – for example open-ended questions, case studies etc.

### Malpractice and plagiarism

For up-to-date advice on malpractice and plagiarism, please refer to the JCQ *Suspected Malpractice in Examinations: Policies and Procedures* document on the JCQ website [www.jcq.org.uk](http://www.jcq.org.uk)

## Student recruitment

Edexcel's access policy concerning recruitment to our qualifications is that:

- they must be available to anyone who is capable of reaching the required standard
- they must be free from barriers that restrict access and progression
- equal opportunities exist for all students.

## Progression

The Edexcel GCSE in Applied Business and Applied Business (Double Award) allow students to progress to higher-level, general qualifications such as:

- GCE in Business Studies
- GCE in Applied Business
- Level 3 Diploma in Business, Administration and Finance
- Level 3 BTEC Nationals in Business
- Level 3 BTEC Nationals in Personal and Business Finance.

## Grade descriptions

<b>A</b>	<p>Candidates recall accurately, select and communicate their detailed knowledge and thorough understanding of concepts, theories, issues and current practice of business. They understand and use business terminology accurately and appropriately.</p> <p>They plan and carry out independently and effectively a range of investigations and tasks using a wide range of skills competently, making effective use of time and resources. They apply their knowledge and critical understanding effectively to select and organise information from a wide range of sources and to investigate business organisations in a variety of contexts.</p> <p>They use and evaluate quantitative and qualitative evidence effectively with a high degree of accuracy to analyse problems and issues, and make informed and reasoned judgements to present conclusions accurately and appropriately.</p>
<b>C</b>	<p>Candidates recall, select and communicate sound knowledge and understanding of concepts, theories, issues and current practice in business. They use business terminology appropriately.</p> <p>They plan and carry out different investigations and tasks using a range of skills appropriately. They apply their knowledge and understanding to select relevantly and organise information from a variety of sources to investigate business organisations in different contexts.</p> <p>They use and evaluate evidence to analyse problems and issues with some accuracy, make reasoned judgements and present conclusions that are supported by evidence.</p>
<b>F</b>	<p>Candidates demonstrate knowledge and understanding of some basic aspects of concepts, theories, issues and current practice in business. They use some simple business terminology.</p> <p>They carry out straightforward investigations and tasks using a limited range of skills. They apply some knowledge and understanding to select and organise simple information from a limited range of sources to investigate business organisations.</p> <p>They identify simple evidence to analyse problems and issues and make judgements. They present simple conclusions that are sometimes supported by evidence.</p>

## Edexcel resources

Edexcel aims to provide the most comprehensive support for our qualifications.

### Teacher and student support

The new resources from Edexcel will provide you and your students with comprehensive support for our new GCSE 2009 Applied Business qualification. These materials have been developed by subject experts to ensure that you and your department have appropriate resources to deliver the specification and help you to get better results for your students.

For more information, and to order a free Evaluation Pack, please call 01865 888080 or visit [www.edexcel.com/gcse2009](http://www.edexcel.com/gcse2009)

## Edexcel publications

You can order further copies of the specification, sample assessment materials (SAMs) and teacher's guide documents from:

Edexcel Publications  
Adamsway  
Mansfield  
Nottinghamshire NG18 4FN

Telephone: 01623 467467  
Fax: 01623 450481  
Email: [publications@linney.com](mailto:publications@linney.com)  
Website: [www.edexcel.com](http://www.edexcel.com)

## Endorsed resources

Edexcel also endorses some additional materials written to support this qualification. Any resources bearing the Edexcel logo have been through a quality assurance process to ensure complete and accurate support for the specification. For up-to-date information about endorsed resources, please visit [www.edexcel.com/endorsed](http://www.edexcel.com/endorsed)

Please note that while resources are checked at the time of publication, materials may be withdrawn from circulation and website locations may change.

### Edexcel support services

Edexcel has a wide range of support services to help you implement this qualification successfully.

**ResultsPlus** — ResultsPlus is an application launched by Edexcel to help subject teachers, senior management teams, and students by providing detailed analysis of examination performance. Reports that compare performance between subjects, classes, your centre and similar centres can be generated in 'one-click'. Skills maps that show performance according to the specification topic being tested are available for some subjects. For further information about which subjects will be analysed through ResultsPlus, and for information on how to access and use the service, please visit [www.edexcel.com/resultsplus](http://www.edexcel.com/resultsplus)

**Ask the Expert** — Ask the Expert is a new service, launched in 2007, that provides direct email access to senior subject specialists who will be able to answer any questions you might have about this or any other specification. All of our specialists are senior examiners, moderators or verifiers and they will answer your email personally. You can read a biography for all of them and learn more about this unique service on our website at [www.edexcel.com/asktheexpert](http://www.edexcel.com/asktheexpert)

**Ask Edexcel** — Ask Edexcel is Edexcel's online question and answer service. You can access it at [www.edexcel.com/ask](http://www.edexcel.com/ask) or by going to the main website and selecting the Ask Edexcel menu item on the left.

The service allows you to search through a database of thousands of questions and answers on everything Edexcel offers. If you don't find an answer to your question, you can choose to submit it straight to us. One of our customer services team will log your query, find an answer and send it to you. They'll also consider adding it to the database if appropriate. This way the volume of helpful information that can be accessed via the service is growing all the time.

**Examzone** — The Examzone site is aimed at students sitting external examinations and gives information on revision, advice from examiners and guidance on results, including re-marking, re-sitting and progression opportunities. Further services for students – many of which will also be of interest to parents – will be available in the near future. Links to this site can be found on the main homepage at [www.examzone.co.uk](http://www.examzone.co.uk).



## Training

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A programme of professional development and training courses, covering various aspects of the specification and examination, will be arranged by Edexcel each year on a regional basis. Full details can be obtained from:

Training from Edexcel  
Edexcel  
One90 High Holborn  
London WC1V 7BH

Telephone: 0844 576 0027  
Email: [trainingbookings@edexcel.com](mailto:trainingbookings@edexcel.com)  
Website: [www.edexcel.com/training](http://www.edexcel.com/training)

## D Appendices

Appendix 1	Key skills	73
Appendix 2	Wider curriculum	75
Appendix 3	Codes	77
Appendix 4	Exemplar Controlled Assessment Record Sheet for Unit 1	78
Appendix 5	Exemplar Controlled Assessment Record Sheet for Unit 3	79

## Appendix 1 Key skills

### Signposting

Key skills (Level 2)	Unit 1	Unit 2	Unit 3	Unit 4
<b>Application of number</b>				
N2.1		✓		✓
N2.2		✓		✓
N2.3		✓		✓
<b>Communication</b>				
C2.1a	✓	✓	✓	✓
C2.1b	✓	✓	✓	✓
C2.2	✓		✓	
C2.3	✓		✓	
<b>Information and communication technology</b>				
ICT2.1	✓	✓	✓	✓
ICT2.2	✓	✓	✓	✓
ICT2.3	✓	✓	✓	✓
<b>Improving own learning and performance</b>				
LP2.1	✓	✓	✓	✓
LP2.2	✓	✓	✓	✓
LP2.3	✓	✓	✓	✓
<b>Problem solving</b>				
PS2.1	✓	✓	✓	✓
PS2.2	✓	✓	✓	✓
PS2.3	✓	✓	✓	✓
<b>Working with others</b>				
WO2.1	✓	✓	✓	✓
WO2.2	✓	✓	✓	✓
WO2.3	✓	✓	✓	✓

## Development suggestions

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Please refer to the Edexcel website for key skills development suggestions.

## Appendix 2 Wider curriculum

### Signposting

Issue	Unit 1	Unit 2	Unit 3	Unit 4
Spiritual	✓	✓	✓	✓
Moral	✓	✓	✓	✓
Ethical	✓	✓	✓	✓
Social	✓	✓	✓	✓
Cultural	✓	✓	✓	✓
Citizenship	✓	✓	✓	✓
Environmental	✓	✓	✓	✓
European initiatives	✓	✓	✓	✓
Health and safety	✓	✓	✓	✓

## Development suggestions

Issue	Unit	Opportunities for development or internal assessment
Spiritual	All units but Units 1 and 3 in particular	Unit 1 – pursuing profit for private gain. Unit 3 – staff development and training.
Moral	All units but Units 1 and 3 in particular	Unit 1 – employee rights and responsibilities. Unit 3 – location of business premises and impact on environment.
Ethical	All units	Unit 1 – business ethics. Units 2 and 4 – financial data collection, storage and use. Unit 3 – location of business premises and impact on environment, collection and storage of employee personal data.
Social	All units but Units 1 and 3 in particular	Unit 1 – needs of different stakeholders, communication between different functional areas of a business. Unit 3 – role of employees, staff development and training.
Cultural	All units but Units 1 and 3 in particular	Unit 1 – needs of different stakeholders. Unit 3 – recruitment of employees.
Citizenship	All units but Units 1 and 3 in particular	Unit 1 – the effects of technology on business activity, employee rights and responsibilities, type of business ownership. Unit 3 – economic conditions of business.
Environmental	All units	All units – use of ICT. Unit 3 – location of business premises and impact on environment.
European initiatives	All units	All units – European and global initiatives can be further investigated through keeping up to date with current legislation and accessing the most recent government policies affecting businesses. Units 2 and 4 – legal framework of business finance (ie annual accounts, business taxes, VAT).
Health and safety	All units but Units 1 and 3 in particular	During research/investigation of the controlled assessment tasks, students are required to consider the health and safety of themselves and others and undertake risk assessments if/ where appropriate.

## Appendix 3 Codes

Type of code	Use of code	Code number
National classification codes	Every qualification is assigned to a national classification code indicating the subject area to which it belongs. Centres should be aware that students who enter for more than one GCSE qualification with the same classification code will have only one grade (the highest) counted for the purpose of the school and college performance tables.	0002
National Qualifications Framework (NQF) codes	Each qualification title is allocated a National Qualifications Framework (NQF) code.  The NQF code is known as a Qualification Number (QN). This is the code that features in the DfE's Sections 96 and on the LARA as being eligible for 16-18 and 19+ funding, and is to be used for all qualification funding purposes. The QN is the number that will appear on the student's final certification documentation.	The QANs for the qualifications in this publication are:  GCSE – 500/4509/X  GCSE Double Award – 500/4487/4
Unit codes	Each unit is assigned a unit code. This unit code is used as an entry code to indicate that a student wishes to take the assessment for that unit. Centres will need to use the entry codes only when entering students for their examination.	Unit 1 – 5AB01 Unit 2 – 5AB02 Unit 3 – 5AB03 Unit 4 – 5AB04
Cash-in codes	The cash-in code is used as an entry code to aggregate the student's unit scores to obtain the overall grade for the qualification. Centres will need to use the entry codes only when entering students for their qualification.	GCSE – 2AB01  GCSE Double Award – 2AB02
Entry codes	The entry codes are used to: <ul style="list-style-type: none"> <li>enter a student for the assessment of a unit</li> <li>aggregate the student's unit to obtain the overall grade for the qualification.</li> </ul>	Please refer to the <i>Edexcel Information Manual</i> , available on the Edexcel website.

## Appendix 4 Exemplar controlled assessment record sheet for Unit 1

Qualification title	Tick (✓) chosen qualification title
GCSE in Applied Business (2AB01)	
GCSE in Applied Business (Double Award) (2AB02)	

	Examination year:
Centre name:	Centre number:
Candidate name:	Candidate number:

Controlled assessment – Unit 1: Investigating How Businesses Work					
<b>Part A: Non-moderated internal assessment of personal and interpersonal skills</b>					<b>Total for Part A</b> /10
<b>Part B: Activity 1</b>					
Research  /6	Present information/ data  /6	Decision making – problem solving and analysis  /6	Review/ evaluation of activity  /6	Methodology  /6	<b>Total for Activity 1</b>  /30
<b>Part B: Activity 2</b>					
Research  /6	Present information/ data  /6	Decision making – problem solving and analysis  /6	Review/ evaluation of activity  /6	Methodology  /6	<b>Total for Activity 2</b>  /30
<b>Part B: Activity 3</b>					
Research  /6	Present information/ data  /6	Decision making – problem solving and analysis  /6	Review/ evaluation of activity  /6	Methodology  /6	<b>Total for Activity 3</b>  /30
<b>Total marks for task (Part A + Part B marks)</b>					<b>Total marks</b> /100

Signed (teacher):	Date:
Name of teacher:	

Please attach this sheet to the student's work before submitting it to the moderator.



## Appendix 5 Exemplar controlled assessment record sheet for Unit 3

<b>Qualification title:</b> GCSE in Applied Business (Double Award) (2AB02)	<b>Examination year:</b>
<b>Centre name:</b>	<b>Centre number:</b>
<b>Candidate name:</b>	<b>Candidate number:</b>

<b>Controlled assessment – Unit 3: Investigating People, Business and Change</b>					
<b>Part A: Non-moderated internal assessment of personal and interpersonal skills</b>					<b>Total for Part A</b> /10
<b>Part B: Activity 1</b>					
Research /6	Present information/ data /6	Decision making – problem solving and analysis /6	Review/ evaluation of activity /6	Methodology /6	<b>Total for Activity 1</b> /30
<b>Part B: Activity 2</b>					
Research /6	Present information/ data /6	Decision making – problem solving and analysis /6	Review/ evaluation of activity /6	Methodology /6	<b>Total for Activity 2</b> /30
<b>Part B: Activity 3</b>					
Research /6	Present information/ data /6	Decision making – problem solving and analysis /6	Review/ evaluation of activity /6	Methodology /6	<b>Total for Activity 3</b> /30
<b>Total marks for task (Part A + Part B marks)</b>					<b>Total marks</b> /100

<b>Signed (teacher):</b>	<b>Date:</b>
<b>Name of teacher:</b>	

Please attach this sheet to the student's work before submitting it to the moderator.