



International GCSE

Business (9–1)

Specification

Pearson Edexcel International GCSE in Business (4BS1)

For first teaching September 2017

First examination June 2019

Issue 2



About Pearson

We are the world's leading learning company operating in countries all around the world. We provide content, assessment and digital services to learners, educational institutions, employers, governments and other partners globally. We are committed to helping equip learners with the skills they need to enhance their employability prospects and to succeed in the changing world of work. We believe that wherever learning flourishes so do people.

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ISBN 978 1 446 94276 5

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Summary of Pearson Edexcel International GCSE in Business specification

Issue 2 changes

Summary of changes made between previous issue and this current issue	Page number
<p>Added a section in <i>Supporting you in planning and implementing this qualification</i>:</p> <p>Onscreen assessment Onscreen assessment is available for this qualification as an alternative to the current assessment format. Find out more information on our website: Onscreen Assessment – Pearson qualifications</p>	5
<p>Updated Get help and support section in <i>Supporting you in planning and implementing this qualification</i>:</p> <p>Our subject advisor ensures that you receive help and guidance from us. You can email our subject advisor at teachingbusiness@pearson.com. You can also sign up to receive subject advisor updates or contact us using our support portal.</p>	5
<p>Updated Availability in <i>Paper overview</i>:</p> <p>Added November series.</p>	6
<p>Updated Candidate Malpractice.</p> <p>Candidate malpractice in examinations must be reported to Pearson using a <i>JCQ Form MI</i> (available at http://www.jcq.org.uk/exams-office/malpractice). The completed form should be emailed to candidatemalpractice@pearson.com.</p> <p>Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.</p>	24
<p>Updated Staff/centre malpractice.</p> <p>The form, supporting documentation and as much information as possible can be emailed to: pqsmalpractice@pearson.com. Note that the final decision regarding appropriate sanctions lies with Pearson.</p>	24

If you need further information on these changes or what they mean, contact us via our website at: qualifications.pearson.com/en/support/contact-us.html.

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1 About this specification

The Pearson Edexcel International GCSE in **Business** is part of a suite of International GCSE qualifications offered by Pearson.

This qualification is not accredited or regulated by any UK regulatory body.

This specification includes the following key features.

Structure

Pearson Edexcel International GCSE in Business is a linear qualification. All components must be taken at the end of the course of study.

Content

The content is relevant up-to-date, engaging and appropriate for an international audience.

Assessment

Two examinations with questions designed to differentiate learners of all abilities.

Approach

Independent learning, critical-thinking skills, real-life examples.

Specification updates

This specification is Issue 2 and is valid for the Edexcel International GCSE examination from June 2019. If there are any significant changes to the specification, we will inform centres in writing. Changes will also be posted on our website.

For more information please visit qualifications.pearson.com

Using this specification

This specification gives teachers guidance and encourages effective delivery of the qualification. The following information will help you get the most out of the content and guidance.

Compulsory content

All the bullet points in the content must be taught. The word 'including' in the content specifies the detail of what must be covered.

Assessments

Our assessments use a range of material and are not limited to the examples given. Teachers should deliver the qualification using a good range of examples to support the assessment of the content.

Depth and breadth of content

Teachers should use the full range of content and all the assessment objectives given in *Section 2: Subject Content*.

The Pearson Edexcel International GCSE in Business is designed as a two-year course. As learners progress through the course they are introduced to new ideas and concepts while continuing to use and reinforce previously learned concepts and skills. The course is designed to give learners a sound understanding of business, and the ability to use knowledge, skills and understanding appropriately in the context of individual countries and the global economy.

Qualification aims and objectives

The Pearson Edexcel International GCSE in Business qualification enables learners to:

- develop an interest in and enthusiasm for the study of business
- develop an understanding of business concepts, business terminology, business objectives and the integrated nature of business activity
- understand how the main types of business are organised, financed and operated
- develop and apply knowledge, understanding and skills to contemporary business issues in a wide range of businesses from small enterprises to large multinationals and businesses operating in local, national and global context
- develop critical-thinking and enquiry skills to distinguish between facts and opinion, calculating, interpreting and evaluating business data, to help build arguments and make informed judgements
- develop an understanding of the dynamics of business activity and the related considerations of ethics and sustainability for global businesses.

Why choose Edexcel qualifications?

Pearson – the world’s largest education company

Edexcel academic qualifications are from Pearson, the UK’s largest awarding organisation. With over 3.4 million learners studying our academic and vocational qualifications worldwide, we offer internationally recognised qualifications to schools, colleges and employers globally.

Pearson is recognised as the world’s largest education company, allowing us to drive innovation and provide comprehensive support for Edexcel learners to acquire the knowledge and skills they need for progression in study, work and life.

A heritage you can trust

The background to Pearson becoming the UK’s largest awarding organisation began in 1836, when a royal charter gave the University of London its first powers to conduct exams and confer degrees on its learners. With over 150 years of international education experience, Edexcel qualifications have firm academic foundations, built on the traditions and rigour associated with Britain’s educational system.

Results you can trust

Pearson’s leading online marking technology has been shown to produce exceptionally reliable results, demonstrating that at every stage, Edexcel qualifications maintain the highest standards.

Why choose the Pearson Edexcel International GCSE in Business?

We have listened to feedback from all parts of the international subject community. Based on that feedback, we have made changes that will engage learners and give them opportunities to gain skills that will support progression to further study of business, and to enhance their educational or employment prospects.

The content and assessment approach for this qualification has been designed to maintain the rigorous standards of all Pearson Edexcel qualification and meet learner needs.

Two-paper assessment

Two-paper model gives learners better opportunities to focus on real-life business scenarios covering small and large businesses. We will test knowledge, understanding, analytical and evaluation skills around five sections:

Business Activity and Influences on Business, People in Business, Business Finance, Marketing and Business Operations.

Concepts and content

The content in both Paper 1: Investigating small businesses and Paper 2: Investigating large businesses is engaging and accessible for all learners.

The content is appropriate and relevant for progression. It is appropriate for international learners, building understanding and awareness of business concepts and applying them to real-life scenarios. The content develops learners' ability to participate effectively in global society as citizens, producers and consumers.

Clear and straightforward question papers

Our question papers are clear and accessible for learners of all ability ranges. Our mark schemes are straightforward so that the assessment requirements are clear.

Broad and deep development of skills

The design of the revised International GCSE aims to extend learners' knowledge by broadening and deepening skills, for example learners will develop the ability to:

- read sources to interpret and evaluate business information
- write extended responses
- respond appropriately to a range of question types, including multiple-choice, short-answer, data-response and open-ended questions
- develop an understanding of business concepts and apply these concepts to real-life situations.

Progression

International GCSEs enable successful progression to International A Level and beyond, in business and other subjects. We have consulted with International A Levels and GCE A Level teachers, as well as higher education professionals, to validate this qualification, including content, skills and assessment structure.

Supporting you in planning and implementing this qualification

Planning

- Our *Getting Started Guide* gives you an overview of the Pearson Edexcel International GCSE in Business to help you understand the changes to content and assessment, and to help you understand what these changes mean for you and your learners.
- We will provide you with a course planner and schemes of work.
- Our mapping documents highlight key differences between the new and legacy qualifications.

Teaching and learning

- Our skills maps will highlight opportunities for learners to develop skills that are assessed, as well as skills that are not directly assessed.
- Print and digital learning and teaching resources promote 'any time, any place' learning to improve learner motivation and encourage new ways of working.

Preparing for exams

We will also provide a range of resources to help you prepare your learners for the assessments, including:

- specimen papers to support formative assessments and mock exams
- examiner commentaries following each examination series.

Onscreen assessment

Onscreen assessment is available for this qualification. Find out more information on our Website: [Onscreen Assessment | Pearson qualifications](#)

ResultsPlus

ResultsPlus provides the most detailed analysis available of your learners' exam performance. It can help you identify the topics and skills where further learning would benefit your learners.

examWizard

This is a free online resource designed to support learners and teachers with examination preparation and assessment.

Training events

In addition to online training, we host a series of training events for teachers to deepen their understanding of our qualifications.

Get help and support

Our subject advisor ensures that you receive help and guidance from us. You can email our subject advisor at teachingbusiness@pearson.com. You can also sign up to receive [subject advisor updates](#) or contact us using our [support portal](#).

Qualification at a glance

Paper overview

Paper 1: Investigating small businesses	*Paper code 4BS1/01
<ul style="list-style-type: none"> Externally assessed Availability: June and November Written examination: 1 hour 30 minutes 80 marks 	50% of the total International GCSE
Content overview This paper will draw on topics taken from the whole of the subject content. The question scenarios are based on a small business – up to 49 employees.	
Assessment overview This paper consists of four compulsory questions, each worth 20 marks. The sub-questions are a mixture of multiple-choice, short-answer, data-response and open-ended questions. Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in Appendix 5: <i>Calculators</i> . This paper is available as a paper-based or onscreen assessment.	

Paper 2: Investigating large businesses	*Paper code 4BS1/02
<ul style="list-style-type: none"> Externally assessed Availability: June and November Written examination: 1 hour 30 minutes 80 marks 	50% of the total International GCSE
Content overview This paper will draw on topics taken from the whole of the subject content. The question scenarios are based on a large business – more than 250 employees.	
Assessment overview This paper consists of four compulsory questions, each worth 20 marks. The sub-questions are a mixture of multiple-choice, short-answer, data-response and open-ended questions. Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in Appendix 5: <i>Calculators</i> . This paper is available as a paper-based or onscreen assessment.	

* See *Appendix 1: Codes* for a description of this code and all the other codes relevant to this qualification.

2 Business content

1 – Business activity and influences on business

This section covers the various objectives of a business, changing business environments and the criteria for judging success. The focus is on the importance of having clear business objectives and how the business environment provides opportunities for, and imposes constraints on, the pursuit of these objectives.

2 – People in business

This section looks at people in organisations, focusing on their roles, relationships and management in business.

3 – Business finance

This section explores the use of accounting and financial information as an aid to decision making.

4 – Marketing

This section focuses on identifying and satisfying customer needs in a changing and competitive international environment.

5 – Business operations

This section examines the way organisations use and manage resources to produce goods and services.

Paper 1 and Paper 2

Externally assessed

Content description

Learners need to demonstrate specified knowledge and critical understanding of the following sections:

1. Business activity and influences on business
2. People in business
3. Business finance
4. Marketing
5. Business operations.

Section 1: introduces the nature and types of business in an economy. Learners will be encouraged to examine the interaction between businesses and the environment in which they operate.

Sections 2–5: focuses on the main functional areas of business administration, finance, marketing and operations.

While the five sections of content are listed as discrete topics, it is important for learners to recognise that, because business is dynamic, these five areas interrelate.

How content relates to examination papers

The examination for Paper 1 and Paper 2 can draw on the knowledge and understanding from across the entire specification content. The five sections of business content interrelate and can be applied to real-life business scenarios that cover both small and large businesses.

Paper 1 will focus on a small business of up to 49 employees that has a local/national market.

Paper 2 will focus on a large business of more than 250 employees that has a multinational/global market.

1 – Business activity and influences on business

Subject content	What learners need to study
1.1 Business objectives	<p>1.1.1 Businesses can have several objectives:</p> <ul style="list-style-type: none"> • financial aims and objectives - survival, profit, sales, market share, financial security • non-financial aims and objectives - social objectives, personal satisfaction, challenge, independence and control. <p>1.1.2 Why business aims and objectives change as businesses evolve:</p> <ul style="list-style-type: none"> • in response to market conditions, technology, performance, legislation, internal reasons.
1.2 Types of organisations	<p>1.2.1 The main types of business ownership:</p> <ul style="list-style-type: none"> • sole trader • partnerships • limited companies (private and public) • public corporations. <p>1.2.2 Characteristics relating to size:</p> <ul style="list-style-type: none"> • concepts of risk, ownership and limited liability • public corporations – reasons for and against public ownership • ownership, control, sources of finance, use of profits, stakeholders and shareholders • appropriateness of different forms of ownership. <p>1.2.3 Different forms of business organisation:</p> <ul style="list-style-type: none"> • franchises • social enterprises • multinationals.
1.3 Classification of businesses	<p>1.3.1 Primary, secondary and tertiary activities:</p> <ul style="list-style-type: none"> • primary sector – extracting raw materials from the earth • secondary sector – converting raw materials into finished or semi-finished goods • tertiary sector – provision of a wide variety of services.

Subject content	What learners need to study
1.4 Decisions on location	1.4.1 The main factors influencing location decisions and relocation of a business: <ul style="list-style-type: none"> • proximity to market, labour, materials and competitors • nature of the business activity • the impact of the internet on location decisions - e-commerce and/or fixed premises • legal controls and trade blocs.
1.5 Business and the international economy	1.5.1 Globalisation: <ul style="list-style-type: none"> • concept of globalisation • opportunities and threats of globalisation for businesses. 1.5.2 The importance and growth of multinationals: <ul style="list-style-type: none"> • benefits of a business becoming a multinational • benefits to a country and/or economy where a multinational company is located • possible drawbacks to a country and/or economy where a multinational is located. 1.5.3 Exchange rate calculation. 1.5.4 The impact of exchange rate changes: <ul style="list-style-type: none"> • on international competitiveness • on importers and exporters.
1.6 Government objectives and policies	1.6.1 Government spending: <ul style="list-style-type: none"> • to provide public service • taxation and constraints on public spending. 1.6.2 How governments can affect business activity: <ul style="list-style-type: none"> • infrastructure provision • legislation • trade policy - membership of trading blocs, tariffs. 1.6.3 The effect of interest rates on: <ul style="list-style-type: none"> • businesses • consumer spending.
1.7 External factors	1.7.1 The external factors affecting business decisions: <ul style="list-style-type: none"> • social • technological • environmental • political.

Subject content	What learners need to study
1.8 What makes a business successful?	<p>1.8.1 Measuring success in business:</p> <ul style="list-style-type: none"> • revenue • market share • customer satisfaction • profit • growth • owner/shareholder satisfaction • employee satisfaction. <p>1.8.2 Reasons for business failure:</p> <ul style="list-style-type: none"> • cash flow problems/lack of finance • not competitive • failure to adapt to changes in the market.

2 – People in Business

Subject content	What learners need to study
2.1 Internal and external communication	<p>2.1.1 Importance of good communication and the problems of ineffective communication:</p> <ul style="list-style-type: none"> • the different communication methods used, including information technology (IT) and the benefits and limitations of each method. <p>2.1.2 Barriers to communication:</p> <ul style="list-style-type: none"> • how communication barriers arise • problems of ineffective communication and how they can be removed.
2.2 Recruitment and selection process	<p>2.2.1 Types of employment:</p> <ul style="list-style-type: none"> • full-time • part-time • job share • casual/seasonal/temporary. <p>2.2.2 Recruitment documents:</p> <ul style="list-style-type: none"> • job description • person specification • application form • curriculum vitae (CV)/résumé. <p>2.2.3 Internal and external recruitment:</p> <ul style="list-style-type: none"> • job advertisement • shortlisting • interviewing. <p>2.2.4 Legal controls over employment and their effects:</p> <ul style="list-style-type: none"> • equal opportunities – gender, race, disability, religion, sexual preference, age • minimum wage laws.
2.3 Training	<p>2.3.1 Importance of training to a business and workers:</p> <ul style="list-style-type: none"> • different types of training and the main purpose <ul style="list-style-type: none"> ○ induction ○ on-the-job ○ off-the-job • compliance with health and safety laws • benefits and limitations of training.

Subject content	What learners need to study
2.4 Motivation and rewards	<p>2.4.1 The importance of motivation in the workplace:</p> <ul style="list-style-type: none"> • attracting employees, retaining employees, productivity • motivational theories of Herzberg, Maslow and Taylor. <p>2.4.2 How businesses motivate employees:</p> <ul style="list-style-type: none"> • financial methods: <ul style="list-style-type: none"> ○ remuneration ○ bonus ○ commission ○ promotion ○ fringe benefits • non-financial methods: <ul style="list-style-type: none"> ○ job rotation ○ job enrichment ○ autonomy.
2.5 Organisation structure and employees	<p>2.5.1 Organisational charts for different types of business:</p> <ul style="list-style-type: none"> • hierarchical and flat • centralised and decentralised. <p>2.5.2 Roles and responsibilities of employees in terms of compliance and accountability:</p> <ul style="list-style-type: none"> • span of control • chain of command • delegation. <p>2.5.3 The different functional areas within a business:</p> <ul style="list-style-type: none"> • human resources – workforce planning, recruitment and selection, training, health and safety, staff welfare, employment issues, industrial relations, disciplinary and grievance procedure, dismissal, unfair dismissal and redundancy • finance – wages/salaries, cash-flow forecasting, budgets and accounting • marketing – market research, product planning, pricing, sales promotion, advertising, customer service, public relations, packaging and distribution • production – manufacturing the product, designing new products, quality control and stock control.

3 – Business finance

Subject content	What learners need to study
3.1 Business finance – sources	<p>3.1.1 The need for finance:</p> <ul style="list-style-type: none"> • short-term needs • long-term needs • to start up or expand. <p>3.1.2 Internal sources of finance:</p> <ul style="list-style-type: none"> • personal savings • retained profit • selling assets. <p>3.1.3 External sources of finance:</p> <ul style="list-style-type: none"> • overdraft and trade payables • loan capital, share capital, including stock market flotation (public limited companies) • venture capital • crowdfunding.
3.2 Cash flow forecasting	<p>3.2.1 The importance of cash to a business:</p> <ul style="list-style-type: none"> • to pay suppliers, overheads and employees • to prevent business failure (insolvency) • the difference between cash and profit. <p>3.2.2 Calculation and interpretation of cash-flow forecasts:</p> <ul style="list-style-type: none"> • cash inflows • cash outflows • net cash flow • opening and closing balances.
3.3 Costs and break-even analysis	<p>3.3.1 The concept and calculation of:</p> <ul style="list-style-type: none"> • revenue • fixed and variable costs • total costs • profit and loss. <p>3.3.2 The concept of break-even and calculation of break-even (from formula or diagram):</p> <ul style="list-style-type: none"> • break-even level of output. <p>3.3.3 Interpretation of break-even charts:</p> <ul style="list-style-type: none"> • the impact of changes in revenue and costs • limitations of break-even charts.

Subject content	What learners need to study
3.4 Financial documents	<p>3.4.1 The purpose of statements of comprehensive income:</p> <ul style="list-style-type: none"> • main features – sales, cost of sales, gross profit, expenses, operating profit • the use of statements of comprehensive income in decision making (learners will not be required to construct an income statement) • the nature of profit and its importance. <p>3.4.2 The purpose of statements of financial position:</p> <ul style="list-style-type: none"> • main features – current and non-current assets, current and non-current liabilities, capital employed • interpret a statement of financial position (learners will not be required to construct a statement of financial position).
3.5 Accounts analysis	<p>3.5.1 Calculating and analysing accounting ratios:</p> <ul style="list-style-type: none"> • gross profit margin • operating profit margin • markup • return on capital employed (ROCE) • current ratio • acid test ratio. <p>(Formulae for use in this qualification can be found in <i>Appendix 4</i>. Learners will be provided with these formulae in the examination.)</p> <p>3.5.2 Liquidity:</p> <ul style="list-style-type: none"> • the concept and importance of liquidity • comparisons with previous years and/or with other business organisations. <p>3.5.3 The use of financial documents:</p> <ul style="list-style-type: none"> • assess the performance of the business • inform decision making.

4 – Marketing

Subject content	What learners need to study
4.1 Market research	<p>4.1.1 The purpose of market research:</p> <ul style="list-style-type: none"> • to identify and understand customer needs • to identify gaps in the market • to reduce risk • to inform business decisions. <p>4.1.2 Methods of market research:</p> <ul style="list-style-type: none"> • primary research: <ul style="list-style-type: none"> ○ survey ○ questionnaire ○ focus group ○ observation ○ test marketing • secondary research: <ul style="list-style-type: none"> ○ internet ○ market reports ○ government reports. <p>4.1.3 The use of data in market research:</p> <ul style="list-style-type: none"> • qualitative and quantitative data • the role of social media in collecting market research data • the importance of the reliability of market research data.
4.2 The market	<p>4.2.1 Importance of marketing:</p> <ul style="list-style-type: none"> • satisfying customer needs • building customer relationships • keeping customer loyalty • market orientation and product orientation • market share and analysis • niche and mass marketing. <p>4.2.2 Responding to changes in the market:</p> <ul style="list-style-type: none"> • changing customer needs • changing customer/consumer spending patterns • increased competition.

Subject content	What learners need to study
	<p>4.2.3 How businesses use market segmentation to target customers:</p> <ul style="list-style-type: none"> • identifying market segments: <ul style="list-style-type: none"> ○ location ○ demographics ○ lifestyle ○ income ○ age.
4.3 The marketing mix	<p>4.3.1 Product:</p> <ul style="list-style-type: none"> • development of a new product/service • the difference between goods and services • packaging and its importance • product life cycle – main phases and extension strategies • managing and reviewing the product portfolio (Boston matrix). <p>4.3.2 Price:</p> <ul style="list-style-type: none"> • the main pricing strategies and when they might be applied: <ul style="list-style-type: none"> ○ cost plus ○ penetration ○ competition ○ skimming ○ promotional. <p>4.3.3 Place – distribution channels:</p> <ul style="list-style-type: none"> • methods of distribution <ul style="list-style-type: none"> ○ retailers ○ e-tailers (e-commerce). <p>4.3.4 Promotion:</p> <ul style="list-style-type: none"> • promotion strategies for different market segments: <ul style="list-style-type: none"> ○ advertising ○ sponsorship ○ product trials ○ special offers ○ branding • above the line and below the line promotion techniques • public relations – improving company image/brand

Subject content	What learners need to study
	<ul style="list-style-type: none"> • the use of technology in promotion: <ul style="list-style-type: none"> ○ targeted advertising online ○ viral advertising via social media ○ e-newsletters • the importance of a brand.

5 – Business operations

Subject content	What learners need to study
5.1 Economies and diseconomies of scale	5.1.1 Economies of scale: <ul style="list-style-type: none"> • internal (falling average total costs as output increases) • external (falling average total costs due to external factors). 5.1.2 Diseconomies of scale: <ul style="list-style-type: none"> • limits of growth.
5.2 Production	5.2.1 Production processes: <ul style="list-style-type: none"> • different types: <ul style="list-style-type: none"> ○ job ○ batch ○ flow • labour and capital intensive production • the impact of different types of production • calculation of productivity and the impact of productivity improvements. 5.2.2 Principles of lean production: <ul style="list-style-type: none"> • just-in-time (JIT) • Kaizen • the importance of using resources effectively. 5.2.3 Impact of technology in production: <ul style="list-style-type: none"> • use of robotics • balancing cost, productivity, quality and flexibility.
5.3 Factors of production	5.3.1 Changing relationships between enterprise, capital, land, and labour: <ul style="list-style-type: none"> • difference between capital-intensive and labour-intensive activities.
5.4 Quality	5.4.1 The concept of quality and its importance in: <ul style="list-style-type: none"> • the production of goods and the provision of services: <ul style="list-style-type: none"> ○ quality control ○ total quality management (TQM) • allowing a business to gain a competitive advantage.

3 Assessment information

Assessment requirements

Paper number and unit title	Level	Assessment information	Number of raw marks allocated in the paper
Paper 1 Investigating small businesses (examination)	1/2	Examination of 1 hour and 30 minutes, set and marked by Pearson. The paper is weighted at 50% of the qualification. Single tier of entry. Learners may use a calculator. This paper is available as a paper-based or onscreen assessment.	80
Paper 2 Investigating large businesses (examination)	1/2	Examination of 1 hour and 30 minutes, set and marked by Pearson. The paper is weighted at 50% of the qualification. Single tier of entry. Learners may use a calculator. This paper is available as a paper-based or onscreen assessment.	80

Paper 1 and Paper 2 are available as a paper-based or onscreen assessment.

Assessment objectives and weightings

		% in International GCSE
A01	Recall, select and communicate knowledge and understanding of business terms, concepts and issues	27–28*
A02	Apply knowledge and understanding using appropriate business terms, concepts, theories and calculations effectively in specific contexts	38–39
A03	Select, organise and interpret business information from sources to investigate and analyse issues	22–23
A04	Evaluate business information to make reasoned judgements and draw conclusions	11–12

* A maximum of 15% of total qualification marks will assess knowledge recall.

Relationship of assessment objectives to units

Unit number	Assessment objective			
	A01	A02	A03	A04
Component 1	13.7%	19.4%	11.3%	5.6%
Component 2	13.7%	19.4%	11.3%	5.6%
Total for International GCSE	27–28%	38–39%	22–23%	11–12%

All components will be available for assessment from June 2019.

4 Administration and general information

Entries

Details of how to enter learners for the examinations for this qualification can be found in our *International Information Manual*. A copy is made available to all examinations officers and it is available on our website.

Learners should be advised that, if they take two qualifications in the same subject, colleges, universities and employers are very likely to take the view that they have achieved only one of the two International GCSEs. Learners or their advisers who have any doubts about subject combinations should check with the institution to which they wish to progress before embarking on their programmes.

Access arrangements, reasonable adjustments, special consideration and malpractice

Equality and fairness are central to our work. Our *Equality Policy* requires all learners to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every learner.

We are committed to making sure that:

- learners with a protected characteristic (as defined by the UK Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to learners who do not share that characteristic
- all learners achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Language of assessment

Assessment of this qualification will only be available in English. All learner work must be in English.

We recommend that learners are able to read and write in English at level B2 of the Common European Framework of Reference for Languages.

Access arrangements

Access arrangements are agreed before an assessment. They allow learners with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual learner with a disability without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with the duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Learners will then know what is available and have the access arrangement(s) in place for assessment.

Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a learner with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular learner may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, including:

- the needs of the learner with the disability
- the effectiveness of the adjustment
- the cost of the adjustment; and
- the likely impact of the adjustment on the learner with the disability and other learners.

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, timeframes or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

Special consideration

Special consideration is a post-examination adjustment to a learner's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination/assessment, which has had, or is reasonably likely to have had, a material effect on a candidate's ability to take an assessment or demonstrate his or her level of attainment in an assessment.

Further information

Please see our website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: www.jcq.org.uk

Malpractice

Candidate malpractice

Candidate malpractice refers to any act by a learner that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in examinations **must** be reported to Pearson using a JCQ Form MI (available at www.jcq.org.uk/exams-office/malpractice). The completed form should be emailed to candidatemalpractice@pearson.com. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or centre malpractice.

Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration **must** be reported immediately, before any investigation is undertaken by the centre, to Pearson on a *JCQ Form M2* (available at www.jcq.org.uk/exams-office/malpractice).

The form, supporting documentation and as much information as possible can be emailed to: pqsmalpractice@pearson.com. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice itself constitutes malpractice.

More-detailed guidance on malpractice can be found in the latest version of the document *JCQ General and vocational qualifications: Suspected Malpractice in Examinations and Assessments*, available at www.jcq.org.uk/exams-office/malpractice

Awarding and reporting

Pearson Edexcel International GCSE in Business will be graded and certificated on a nine-grade scale from 9 to 1. Individual components are not graded. The first certification opportunity for the Pearson Edexcel International GCSE in Business will be in 2019. Learners whose level of achievement is below the minimum judged by Pearson to be of sufficient standard to be recorded on a certificate will receive an unclassified U result.

Learner recruitment and progression

Pearson's 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 learners.

Prior learning and other requirements

There are no prior learning or other requirements for this qualification.

Progression

Learners can progress from this qualification to:

- International AS and A Levels in Business and other subjects.

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Appendix 1: Codes

Type of code	Use of code	Code
Subject codes	The subject code is used by centres to cash in the entry for a qualification.	International GCSE – 4BS1
Paper codes	These codes are provided for information. Learners may need to be entered for individual papers.	Paper 1: 4BS1/01 Paper 2: 4BS1/02

Appendix 2: Command word taxonomy

The table below lists the command words that may be used in question papers for the Pearson Edexcel International GCSE in Business, it also gives an outline of what each type of question requires learners to do.

Command word	This type of question will require learners to:
(Multiple-choice question)	select one or more correct answer from a choice of answers. These questions test recall of knowledge from the specification content or require a calculation to reach the correct answer
Define	define a term from the specification content
Give	give an answer testing recall of knowledge from the specification content
State	give an answer, no longer than a sentence, referring to a piece of contextual information from which they must select the answer
Identify	select the correct answer from reading a graph or table of data
Calculate	use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given
Complete the table	work out the values missing from the presented table of data
Outline	give two linked points about a business concept or issue, placed in context in the question
Explain	give a statement of fact, with two further expansion points. These may expand on each other, or both from the same fact. There is no context in these questions
Analyse	write an extended answer, requiring expansion and exploration of a business concept or issue. The answer will be placed in context by the question
Justify	write an extended answer, using information provided in order to recommend one of two options to a business
Evaluate	write an extended answer, using knowledge of specification content to reach a supported conclusion about a business situation.

Examples of how these command words are used in Paper 1 and Paper 2 are given in the *Pearson Edexcel International GCSE in Business Sample Assessment Materials* for this qualification.

Appendix 3: Quantitative skills

The list below states the range and extent of mathematical skills that learners are required to learn for this qualification. Learners must be able to draw on the knowledge and understanding learned from the subject content to apply these skills to relevant business contexts.

The level of mathematics content in the question papers will be equivalent to upper secondary mathematics.

Calculation

Calculations in a business context, including:

- percentages and percentage changes
- averages
- revenue, costs and profit
- gross profit margin and net profit margin ratios
- average rate of return
- cash-flow forecasts, including total costs, total revenue and net cash flow.

Interpretation

Interpretation and use of quantitative data in business contexts to support, inform and justify business decisions, including:

- information from graphs and charts
- profitability ratios (gross profit margin and net profit margin)
- financial data, including profit and loss, average rate of return and cash-flow forecasts
- marketing data, including market research data
- market data, including market share, changes in costs and changes in prices.

These quantitative skills will be assessed in both Paper 1 and Paper 2, totalling 10% of the marks available for the qualification. Questions involving quantitative skills will always be in a business context.

These skills will be sampled in the question papers but all will be covered over the lifetime of the qualification.

Appendix 4: Formulae

The list below gives formulae for use in this qualification. Formulae will be provided in the examinations for Paper 1 and Paper 2.

Gross profit margin

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

Operating profit margin

Operating profit = gross profit – other operating expenses

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{revenue}} \times 100$$

Markup

$$\text{Markup} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

Return on capital employed (ROCE)

$$\text{ROCE} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

Current ratio

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Acid test ratio

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$

Appendix 5: Calculators

Learners may use a calculator in assessments for this qualification. Centres are responsible for making sure that calculators used by their learners meet the requirements highlighted in the table below.

Learners must be familiar with these requirements before their assessments begin.

<p>Calculators must be:</p> <ul style="list-style-type: none"> • of a size suitable for use on a desk • either battery or solar powered • free of lids, cases and covers that contain printed instructions or formulae. 	<p>Calculators must not:</p> <ul style="list-style-type: none"> • be designed or adapted to offer any of these facilities: <ul style="list-style-type: none"> – language translators – symbolic algebraic manipulation – symbolic differentiation or integration – communication with other machines or the internet • be borrowed from another candidate during an examination for any reason • store retrievable, including: <ul style="list-style-type: none"> – databanks – dictionaries – mathematical formulae – text.
<p>The candidate is responsible for the following:</p> <ul style="list-style-type: none"> • the calculator’s power supply • the calculator’s working condition • clearing anything stored in the calculator. 	

Further information can be found in the JCQ documents Instructions for conducting examinations and Information for candidates for written examinations, available at www.jcq.org.uk/exams-office.

Appendix 6: Glossary of International Accounting Standards (IAS) terminology

The following is a glossary of the comparison between the International Accounting Standards (IAS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology.

The assessments for the Pearson Edexcel International GCSE in Business will use IAS terminology **only**.

Previously used UK GAAP terminology	IAS terminology
Final accounts	Financial statements
Trading and profit and loss account	Statement of profit or loss
Sales	Revenue
Purchases	Raw materials/ordinary goods purchased
Cost of goods sold	Cost of sales
Stock	Inventory
Work in progress	Work in progress
Gross profit	Gross profit
Sundry expenses	Other operating expenses
Sundry income	Other operating income
Interest receivable	Investment revenues/finance income
Interest payable	Finance costs
Net profit	Profit for the year
Balance sheet	Statement of financial position
Fixed assets	Non-current assets
Land and buildings	Property
Plant and equipment	Plant and equipment
Investments	Investment property
Goodwill etc.	Intangible assets

Previously used UK GAAP terminology	IAS terminology
Current assets	Current assets
Stock	Inventory
Stocktake	Inventory count
Debtors	Trade receivables
Prepayments	Other receivables
Bank and cash	Cash
Current liabilities/creditors: amounts due within 12 months	Current liabilities
Creditors	Trade payables
Accruals	Other payables
Loans repayable within 12 months	Bank overdraft and loans
Long-term liabilities/creditors: amounts falling due after 12 months	Non-current liabilities
Loans repayable after 12 months	Bank (and other) loans
Net book value	Carry-over
Capital	Capital or equity
Share capital	Share capital

Appendix 7: Transferable skills

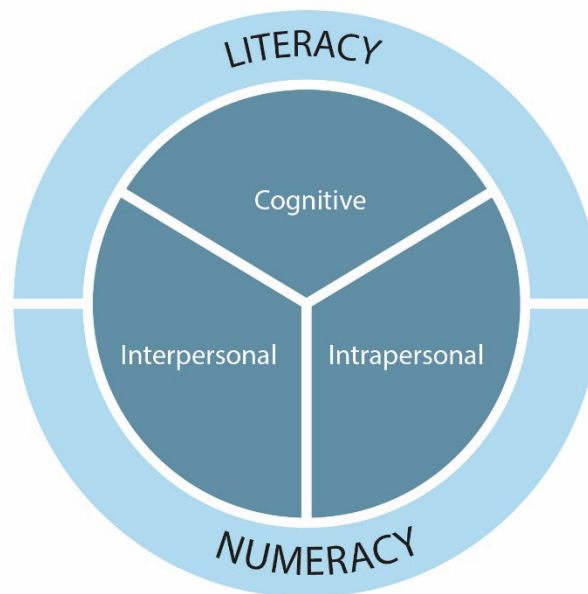
The need for transferable skills

In recent years, higher education institutions and employers have consistently flagged the need for learners to develop a range of transferable skills to enable them to respond with confidence to the demands of undergraduate study and the world of work.

The Organisation for Economic Co-operation and Development (OECD) defines skills, or competencies, as 'the bundle of knowledge, attributes and capacities that can be learned and that enable individuals to successfully and consistently perform an activity or task and can be built upon and extended through learning.'^[1]

To support the design of our qualifications, the Pearson Research Team selected and evaluated seven global 21st-century skills frameworks. Following on from this process, we identified the National Research Council's (NRC) framework ^[2] as the most evidence-based and robust skills framework, and have used this as a basis for our adapted skills framework.

The framework includes cognitive, intrapersonal skills and interpersonal skills.



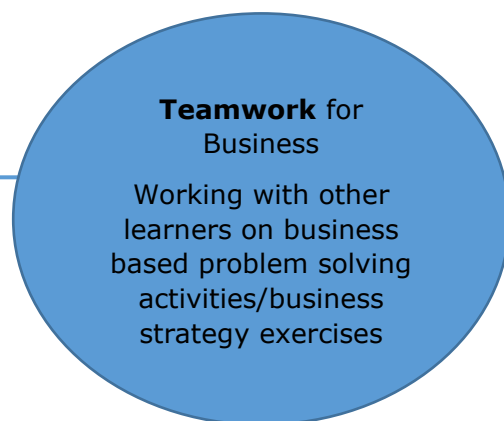
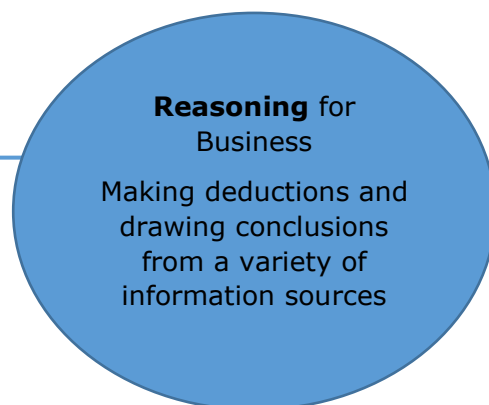
The skills have been interpreted for this specification to ensure they are appropriate for the subject. All of the skills listed are evident or accessible in the teaching, learning and/or assessment of the qualification. Some skills are directly assessed. Pearson materials will support you in identifying these skills and developing these skills in learners.

The table on the next page sets out the framework and gives an indication of the skills that can be found in business and indicates the interpretation of the skill in this area. A full subject interpretation of each skill, with mapping to show opportunities for learners' development is provided on the subject pages of our website: qualifications.pearson.com

¹ OECD – *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies* (OECD Publishing, 2012) <http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf>

² Koenig J A – *Assessing 21st Century Skills: Summary of a Workshop* (National Research Council, 2011)

Cognitive skills	Cognitive processes and strategies	<ul style="list-style-type: none"> • Critical thinking • Problem solving • Analysis • Reasoning • Interpretation • Decision making • Adaptive learning • Executive function
	Creativity	<ul style="list-style-type: none"> • Creativity • Innovation
Intrapersonal skills	Intellectual openness	<ul style="list-style-type: none"> • Adaptability • Personal and social responsibility • Continuous learning • Intellectual interest and curiosity
	Work ethic/ conscientiousness	<ul style="list-style-type: none"> • Initiative • Self-direction • Responsibility • Perseverance • Productivity • Self-regulation (metacognition, forethought, reflection) • Ethics • Integrity
	Positive core self-evaluation	<ul style="list-style-type: none"> • Self-monitoring/ self-evaluation/ self-reinforcement
Interpersonal skills	Teamwork and collaboration	<ul style="list-style-type: none"> • Communication • Collaboration • Teamwork • Cooperation • Interpersonal skills
	Leadership	<ul style="list-style-type: none"> • Leadership • Responsibility • Assertive communication • Self-presentation



Appendix 8: Glossary

Term	Definition
Assessment objectives	The requirements that learners need to meet to succeed in the qualification. Each assessment objective has a unique focus, which is then targeted in examinations or coursework. Assessment objectives may be assessed individually or in combination.
External assessment	An examination that is held at the same time and place in a global region.
JCQ	Joint Council for Qualifications. This is a group of UK examination boards that develop policy related to the administration of examinations.
Linear	Qualifications that are linear have all assessments at the end of a course of study. It is not possible to take one assessment earlier in the course of study.
Raw marks	Raw marks are the actual marks that learners achieve when taking an assessment. When calculating an overall grade raw marks often need to be converted so that it is possible to see the proportionate achievement of a learner across all units of study.

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