



**Pearson  
LCCI Level 3 Certificate  
in Business Principles  
and Enterprise  
(ASE20301)**

**SPECIFICATION**

First teaching from January 2019



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## Acknowledgements

This specification has been produced by Pearson on the basis of consultation with teachers, examiners, consultants and other interested parties. Pearson would like to thank all those who contributed their time and expertise to the specification's development.

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# Introduction

## LCCI qualifications

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LCCI qualifications are widely regarded by employers as preparing students to work in key functions of modern international business. Employers, universities and professional bodies recognise them across the world.

This new and engaging range of qualifications has been developed in collaboration with professional bodies, employers and customers. To ensure that the qualifications develop the breadth and depth of knowledge, skills and understanding that students need to be effective employees and that they support progression pathways, we have carried out in-depth, independent consultation.

Pearson offers a wide range of LCCI qualifications; they are available at Levels 1 to 4 across the following subject areas:

- Business
- English Language
- Financial and Quantitative
- Marketing.

This specification is part of the Business suite of LCCI qualifications.

This qualification replaces the Pearson LCCI Level 3 Certificate in Business Principles and Practice (ASE20074).

## **Purpose of the specification**

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This specification sets out:

- the objectives of the qualification
- any other qualification(s) that a student must have completed before taking the qualification
- any prior knowledge and skills that the student is required to have before taking the qualification
- any other requirements that a student must satisfy before they will be assessed or before the qualification will be awarded
- the knowledge, understanding and skills that will be assessed as part of the qualification
- the method of assessment and any associated requirements relating to it
- the criteria against which a student's level of attainment will be measured.

## Rationale

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The Pearson LCCI Level 3 Certificate in Business Principles and Enterprise meets the following purposes.

- It introduces students to a range of enterprise skills, enabling them to apply these skills in the business environment in the context of an entrepreneur looking to start up their business or developing creative ideas within an innovative business.
- It is suitable for students who are already in employment, working in any area that requires general knowledge of the business context, and who currently hold or aspire to, middle-management positions in any functional business area.
- It will help students to progress to middle management by giving them a sound knowledge of the business environment and by introducing them to business strategy and planning, current trends, industry changes, basic financial understanding, risk management and business performance.

## Qualification aim

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The Pearson LCCI Level 3 Certificate in Business Principles and Enterprise has been developed in consultation with professional bodies, employers and centres.

It is an ideal qualification for students who intend to progress their career to the next level or who are looking to start their own business.

The qualification gives students the knowledge, understanding, skills and behaviours expected by employers in the business sector. It gives them the best possible opportunity to be successful in applying for work in entry-level positions.

The areas that students will cover include:

- the internal and external business environment
- business planning for small and established enterprises
- managing business risks and growth
- measuring and improving the performance of the enterprise.

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## Specification at a glance

The Pearson LCCI Level 3 Certificate in Business Principles and Enterprise (ASE20301) consists of one externally-examined paper.

| Title: Pearson LCCI Level 3 Certificate in Business Principles and Enterprise  |                                 |
|--|---------------------------------|
| <ul style="list-style-type: none"><li>Externally assessed.</li></ul>   | 100% of the total qualification |
| <p>Overview of content</p> <ul style="list-style-type: none"><li>The internal and external business environment</li><li>Business planning for small and established enterprises</li><li>Managing business risks and growth</li><li>Measuring and improving the performance of the enterprise</li></ul>   |                                 |
| <p>Overview of assessment</p> <ul style="list-style-type: none"><li>One written, externally-set and marked paper, contributing 100% of the overall grade of the qualification.</li><li>The examination will be 3 hours.</li><li>The examination will consist of 100 marks.</li><li>There will be four questions.</li><li>Students should answer all questions.</li><li>Questions comprise of multiple-choice, short open-response and extended open-response questions and calculations.</li><li>Students will be graded Pass/Merit/Distinction. A result of Fail will be recorded where students do not achieve the required marks for a Pass.</li><li>A non-scientific calculator may be used.</li></ul> |                                 |

# Knowledge, skills and understanding

## Content

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To prepare students for the final assessment of this qualification, the following content must be covered.

### 1. The internal and external business environment

| Subject content                | What students need to learn  |
|--------------------------------|--|
| <b>1.1 Types of enterprise</b> | <p>Understand the characteristics, advantages and disadvantages of different types of enterprise in the public and private sectors.</p> <ul style="list-style-type: none"><li>• The purpose of a business enterprise.</li><li>• The differences between the public sector and the private sector.</li><li>• Different types of enterprise:<ul style="list-style-type: none"><li>○ sole traders</li><li>○ partnerships</li><li>○ limited companies (public limited companies (Plc) and private limited companies (Ltd))</li><li>○ public corporations</li><li>○ social enterprises.</li></ul></li><li>• The changing nature of enterprise:<ul style="list-style-type: none"><li>○ online</li><li>○ pop-ups.</li></ul></li></ul> |

| Subject content   | What students need to learn   |
|---|---|
| <p><b>1.2 The business environment and the enterprise</b></p> | <p>Understand how enterprise operates in a competitive market.</p> <ul style="list-style-type: none"> <li>• Features of a competitive market: <ul style="list-style-type: none"> <li>○ private ownership of factors of production</li> <li>○ buyers and sellers</li> <li>○ profit motive</li> <li>○ some government intervention</li> <li>○ similar products.</li> </ul> </li> <li>• The role of the entrepreneur: <ul style="list-style-type: none"> <li>○ develop ideas</li> <li>○ define what the enterprise will be</li> <li>○ identify target market</li> <li>○ identify competition</li> <li>○ decide on brand</li> <li>○ understand why it is important to protect a new business idea/product</li> <li>○ combine together factors of production to satisfy customer needs</li> <li>○ take risks</li> <li>○ take the profit/be responsible for the losses.</li> </ul> </li> <li>• Importance of entrepreneurs to the economy: <ul style="list-style-type: none"> <li>○ generating economic wealth by increasing the national income</li> <li>○ generating employment opportunities</li> <li>○ creating the solutions that can improve the standard of living</li> <li>○ replacing older, inefficient technologies with up-to-date technology.</li> </ul> </li> </ul> |

| Subject content   | What students need to learn   |
|---|---|
| <p><b>1.3 Stakeholders</b></p>  | <p>Understand the power, influence, impact and competing interests of stakeholders on an enterprise.</p> <ul style="list-style-type: none"> <li>• Enterprise stakeholders: <ul style="list-style-type: none"> <li>○ internal (owners/shareholders, employees)</li> <li>○ external (customers, creditors, community, government, pressure groups, shareholders).</li> </ul> </li> <li>• The impact of government on business enterprises: <ul style="list-style-type: none"> <li>○ changing tax rates, interest rates and government expenditure</li> <li>○ principles and purpose of business legislation and regulations – health and safety, data protection, employment, consumer protection.</li> </ul> </li> <li>• Impact of corporate social responsibility (CSR).</li> </ul> |
| <p><b>1.4 The impact of globalisation on the business environment</b></p> | <p>Understand globalisation and its impact on large and small enterprises.</p> <ul style="list-style-type: none"> <li>• The features of globalisation: <ul style="list-style-type: none"> <li>○ international movement of products</li> <li>○ international movement of the factors of production</li> <li>○ international currencies</li> <li>○ trading blocs</li> <li>○ international communication systems</li> <li>○ international businesses.</li> </ul> </li> <li>• The impact of multinational corporations (MNCs) within the global economy.</li> <li>• The business opportunities for small enterprises within the global economy (agencies, licensing and franchising).</li> <li>• The impact of currency fluctuations on enterprises.</li> </ul>                         |

| Subject content                                  | What students need to learn  |
|--|--|
| <p><b>1.5 Business structure and culture</b></p> | <p>Understand how the structure of the enterprise changes as it grows and the impact it has on business culture and corporate image and identity.</p> <ul style="list-style-type: none"> <li>• Business structures: <ul style="list-style-type: none"> <li>○ functional and matrix structures, including their advantages and disadvantages.</li> </ul> </li> <li>• Factors influencing business culture: <ul style="list-style-type: none"> <li>○ management style</li> <li>○ size of business</li> <li>○ type of business</li> <li>○ type of product</li> <li>○ national culture.</li> </ul> </li> <li>• Corporate image and identity: <ul style="list-style-type: none"> <li>○ distinguish between corporate image and identity</li> <li>○ how corporate image and identity can be developed, established and maintained</li> <li>○ importance of a strong corporate image and identity.</li> </ul> </li> </ul> |

## 2. Business planning for small and established enterprises

| Subject content                                   | What students need to learn   |
|---|---|
| <b>2.1 The purpose and components of planning</b> | <p>Understand the purpose of business plans.</p> <ul style="list-style-type: none"><li>• The purpose of business planning to identify:<ul style="list-style-type: none"><li>○ opportunities in the market</li><li>○ the human, financial and physical resources needed</li><li>○ risks</li><li>○ opportunities for growth.</li></ul></li></ul> <p>Understand the features of each of the components of a business plan for an enterprise start up and a corporate business.</p> <ul style="list-style-type: none"><li>• Components of an enterprise start-up plan:<ul style="list-style-type: none"><li>○ evidence of personal experience of the entrepreneur</li><li>○ details of product</li><li>○ market research</li><li>○ promotional plan</li><li>○ financial plan</li><li>○ risk analysis</li><li>○ business targets.</li></ul></li><li>• Components of a corporate business plan:<ul style="list-style-type: none"><li>○ strategic plan</li><li>○ operational plan</li><li>○ business tactics</li><li>○ responsibilities and timelines.</li></ul></li></ul> |

| Subject content                                       | What students need to learn  |
|---|--|
| <p><b>2.2 Market research and market analysis</b></p> | <p>Understand the purpose and methods of market research, market analysis and the role of the marketing mix.</p> <ul style="list-style-type: none"> <li>• Market research methods: <ul style="list-style-type: none"> <li>○ surveys</li> <li>○ observation</li> <li>○ focus groups</li> <li>○ interviews</li> <li>○ trials.</li> </ul> </li> <li>• Market analysis: <ul style="list-style-type: none"> <li>○ Porter’s five forces model.</li> </ul> </li> <li>• The marketing mix: <ul style="list-style-type: none"> <li>○ price</li> <li>○ product</li> <li>○ promotion</li> <li>○ place</li> <li>○ physical evidence</li> <li>○ people</li> <li>○ processes.</li> </ul> </li> <li>• How the marketing mix can be adapted to the different stages of the product life cycle: <ul style="list-style-type: none"> <li>○ development</li> <li>○ introduction</li> <li>○ growth</li> <li>○ maturity</li> <li>○ decline.</li> </ul> </li> </ul> |

| Subject content                           | What students need to learn  |
|---|--|
| <p><b>2.3 Human resource planning</b></p> | <p>Understand the contribution of the human resources function as the enterprise increases in size.</p> <ul style="list-style-type: none"> <li>• Purpose of human resource planning.</li> <li>• Recruitment strategies: <ul style="list-style-type: none"> <li>○ financial rewards</li> <li>○ additional benefits (paid holidays, pensions, sick pay, sports clubs, employee discounts)</li> <li>○ family-friendly working practices</li> <li>○ flexible working arrangements</li> <li>○ full-time and part-time positions</li> <li>○ employment agencies</li> <li>○ internet</li> <li>○ specialist publications aimed at specialist professionals.</li> </ul> </li> <li>• Financial methods of increasing workforce motivation: <ul style="list-style-type: none"> <li>○ bonuses</li> <li>○ profit sharing</li> <li>○ overtime pay</li> <li>○ piece rates.</li> </ul> </li> <li>• Non-financial methods of increasing workforce motivation: <ul style="list-style-type: none"> <li>○ annual leave</li> <li>○ employee of the month</li> <li>○ family-friendly working practices</li> <li>○ training.</li> </ul> </li> </ul> |



| Subject content                      | What students need to learn  |
|--------------------------------------|--|
| <p><b>2.4 Financial planning</b></p> | <p>Understand the sources of finance available to large and small enterprises, the techniques of budgeting, how to calculate break-even and complete cash flow forecasts.</p> <ul style="list-style-type: none"> <li>• Features of the sources of finance available to an enterprise start up: <ul style="list-style-type: none"> <li>○ owner’s capital</li> <li>○ bank loans</li> <li>○ bank overdraft</li> <li>○ trade credit</li> <li>○ leasing</li> <li>○ hire purchase</li> <li>○ crowdfunding</li> <li>○ peer to peer lending.</li> </ul> </li> <li>• The features of types of shares issued by large enterprises (public limited companies (Plc)): <ul style="list-style-type: none"> <li>○ ordinary shares</li> <li>○ preference shares</li> <li>○ debentures.</li> </ul> </li> <li>• Calculation of the break-even point by the formula: <math display="block">\frac{\text{Fixed costs}}{\text{Selling price per unit} - \text{variable costs per unit}}</math> </li> <li>• The purpose of cash flow forecasting and the completion and calculation of a simple cash flow forecast.</li> <li>• The importance of net current assets.</li> <li>• Budgeting techniques: <ul style="list-style-type: none"> <li>○ preparation</li> <li>○ monitoring (budget variances)</li> <li>○ forecasting</li> <li>○ controlling.</li> </ul> </li> </ul> |

| Subject content                       | What students need to learn   |
|---------------------------------------|---|
| <p><b>2.5 Production planning</b></p> | <p>Understand the importance of resource management in the production planning process for large and small enterprises.</p> <ul style="list-style-type: none"> <li>• Purpose of resource management: <ul style="list-style-type: none"> <li>○ meeting production targets</li> <li>○ increasing productivity</li> <li>○ increasing efficiency</li> <li>○ maintaining effectiveness</li> <li>○ cost control.</li> </ul> </li> <li>• Features and advantages of just in time (JIT) inventory management.</li> <li>• The role of technology in the production process: <ul style="list-style-type: none"> <li>○ computer-aided design (CAD)</li> <li>○ computer-aided manufacturing (CAM).</li> </ul> </li> </ul> |

### 3. Managing business risks and growth

| Subject content           | What students need to learn   |
|---------------------------|---|
| <b>3.1 Business risks</b> | <p>Understand the importance to enterprises of identifying and managing business risks and how these risks might change as an enterprise grows.</p> <ul style="list-style-type: none"><li>• The impact of different types of business risk:<ul style="list-style-type: none"><li>○ financial</li><li>○ legal</li><li>○ reputational.</li></ul></li><li>• The response to business risks:<ul style="list-style-type: none"><li>○ business strategy (how long-term plans can be influenced by changes in market conditions or government policies)</li><li>○ operational plans (how the plans of the functional areas can be influenced by changes in business strategy)</li><li>○ tactics (the immediate, specific actions that a business can take to respond to changes in market conditions).</li></ul></li><li>• The purpose and features of different types of business insurance:<ul style="list-style-type: none"><li>○ property</li><li>○ motor</li><li>○ key person</li><li>○ business interruption</li><li>○ liability (employers, product).</li></ul></li></ul> |

| Subject content                    | What students need to learn   |
|------------------------------------|---|
| <b>3.2 Business analysis tools</b> | <p>Be able to use and apply business tools to analyse and evaluate business risks relating to growth strategies and the product portfolio.</p> <ul style="list-style-type: none"> <li>• Strengths, Weaknesses, Opportunities, Threats (SWOT): tool used for internal and external analysis: <ul style="list-style-type: none"> <li>○ Strengths and Weaknesses – internal analysis</li> <li>○ Opportunities and Threats – external analysis.</li> </ul> </li> <li>• STEEPLE analysis of external factors on businesses.</li> <li>• Ansoff Matrix for established enterprises in relation to growth strategies in new and existing markets: <ul style="list-style-type: none"> <li>○ diversification</li> <li>○ product development</li> <li>○ market penetration</li> <li>○ market development.</li> </ul> </li> <li>• The impact on business risks of different growth strategies.</li> <li>• Boston Consulting Group (BCG) matrix: <ul style="list-style-type: none"> <li>○ the characteristics of the product portfolio</li> <li>○ the purpose of the BCG.</li> </ul> </li> </ul> |

| Subject content            | What students need to learn   |
|----------------------------|---|
| <b>3.3 Managing change</b> | <p>Understand how economic, market and social trends impact on the enterprise.</p> <ul style="list-style-type: none"> <li>• Internal factors likely to cause change: <ul style="list-style-type: none"> <li>○ technology changes</li> <li>○ cash flow management</li> <li>○ industrial action</li> <li>○ poor leadership and management</li> <li>○ demand for skills</li> <li>○ growth or decline of the business.</li> </ul> </li> <li>• External factors likely to cause change: <ul style="list-style-type: none"> <li>○ interest rate changes</li> <li>○ competition and demand</li> <li>○ action from pressure groups</li> <li>○ availability of raw materials</li> <li>○ changes in legislation</li> <li>○ changes in lifestyle</li> <li>○ technology.</li> </ul> </li> </ul> |

#### 4. Measuring and improving the performance of the enterprise

| Subject content                                   | What students need to learn  |
|---|--|
| <b>4.1 The purpose of performance measurement</b> | <p>Understand the importance to enterprises of measuring performance and prepare specific, measurable, achievable, relevant, time-bound (SMART) targets for a start-up enterprise.</p> <ul style="list-style-type: none"><li>• The difference between financial and non-financial performance indicators.</li><li>• The importance of non-financial performance indicators – labour turnover, productivity, customer complaints, number of faulty products produced/returned.</li><li>• Leading and lagging performance indicators.</li><li>• SMART targets aimed at meeting the business objectives of a start-up enterprise.</li></ul> |

| Subject content                                      | What students need to learn   |
|--|---|
| <p><b>4.2 The role of management information</b></p> | <p>Understand the purpose of management information in business planning, monitoring and decision making.</p> <ul style="list-style-type: none"> <li>• Data and management information: <ul style="list-style-type: none"> <li>○ data – unprocessed raw facts</li> <li>○ management information – processed data that aids decision making.</li> </ul> </li> <li>• The role of a management information system (MIS) in relation to: <ul style="list-style-type: none"> <li>○ the planning function</li> <li>○ the monitoring and forecasting function</li> <li>○ the measurement of financial and non-financial performance measures</li> <li>○ risk management and decision making.</li> </ul> </li> <li>• The stages in the decision-making process relating to an enterprise: <ul style="list-style-type: none"> <li>○ identifying the goal</li> <li>○ gathering relevant information</li> <li>○ identifying the alternatives</li> <li>○ weighing the evidence</li> <li>○ choosing among alternatives</li> <li>○ taking action</li> <li>○ reviewing the decision and its consequences.</li> </ul> </li> <li>• Contingency planning/'What if?' analysis in relation to an enterprise.</li> </ul> |

| Subject content  | What students need to learn   |
|--|---|
| <p><b>4.3 Quality systems</b></p>                      | <p>Understand the features and the impact of different quality systems on business performance.</p> <ul style="list-style-type: none"> <li>• The features of quality systems applied by smaller enterprises: <ul style="list-style-type: none"> <li>○ random sampling</li> <li>○ quality control</li> <li>○ quality assurance</li> <li>○ best practice.</li> </ul> </li> <li>• The features of additional quality systems applied by larger enterprises: <ul style="list-style-type: none"> <li>○ benchmarking</li> <li>○ quality circles</li> <li>○ total quality management (TQM).</li> </ul> </li> </ul>   |
| <p><b>4.4 Workforce management and development</b></p> | <p>Understand how the enterprise can promote and support workforce development.</p> <ul style="list-style-type: none"> <li>• Leadership styles: <ul style="list-style-type: none"> <li>○ autocratic</li> <li>○ participative</li> <li>○ laissez-faire.</li> </ul> </li> <li>• Maslow’s theory of motivation and its application as the enterprise grows.</li> <li>• Workforce development strategies and their features: <ul style="list-style-type: none"> <li>○ recruitment and retention</li> <li>○ training</li> <li>○ job rotation</li> <li>○ job enrichment</li> <li>○ coaching</li> <li>○ mentoring</li> <li>○ performance reviews.</li> </ul> </li> </ul> |



| Subject content                 | What students need to learn   |
|---------------------------------|---|
| <b>4.5 Financial statements</b> | <p>Calculate accounting ratios and interpret the information provided in the statement of comprehensive income and the statement of financial position of a sole trader:</p> <ul style="list-style-type: none"> <li>• gross profit (revenue – cost of sales)</li> <li>• profit for the year (gross profit – other operating expenses)</li> <li>• gross profit margin:<br/> <math display="block">\frac{\text{Gross Profit}}{\text{Revenue}} \times 100\%</math> </li> <li>• profit for the year margin:<br/> <math display="block">\frac{\text{Profit for the year}}{\text{Revenue}} \times 100\%</math> </li> <li>• the importance of liquidity to an enterprise.</li> <li>• the importance of inventory on liquidity</li> <li>• net current assets (current assets – current liabilities)</li> <li>• Return on Capital Employed (ROCE):<br/> <math display="block">\frac{\text{Profit for the year}}{\text{Capital employed}} \times 100</math> </li> </ul> |

**Note:** Students must be aware of relevant legislation, regulations and codes of practice but the specific names, dates and sections of these will not be assessed.

## Delivery guidance

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This qualification is not linked to any specific sector of business or workplace role. Teachers are, therefore, encouraged to use a variety of examples and scenarios drawn from the business environment.

Business scenarios and short case studies can be useful when used in small-group work as they give students the opportunity to work with their peers to identify key issues and how they can be addressed. This is particularly useful in developing the skills required when analysing different approaches to specific business contexts.

Examinations for this qualification will use the dollar (\$) as standard currency.

# Assessment

## Assessment summary

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### Pearson LCCI Level 3 Certificate in Business Principles and Enterprise

First teaching: January 2019

First assessment: June 2019

Number of series: 4

Availability: April, June, September and November

#### Overview of content

- The internal and external business environment
- Business planning for small and established enterprises
- Managing business risks and growth
- Measuring and improving the performance of the enterprise

#### Overview of assessment

- One written, externally-set and marked paper, contributing 100% of the overall grade of the qualification.
- The examination will be 3 hours.
- The examination will consist of 100 marks.
- Students will be graded Pass/Merit/Distinction. A result of Fail will be recorded where students do not achieve the required marks for a Pass.
- Students answer all questions.
- The paper comprises multiple-choice, short open-response and extended open-response questions.
- A non-scientific calculator may be used.

## Assessment objectives

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| <b>Students must:</b> |   | <b>% of qualification</b> |
|-----------------------|---|---------------------------|
| <b>A01</b>            | <b>Memorise</b><br>Recall facts and terminology of the internal and external business environment.  | 30                        |
| <b>A02</b>            | <b>Demonstrate understanding</b><br>Demonstrate understanding of how enterprise operates, its structure and culture, and the impact of stakeholders and globalisation.  | 40                        |
| <b>A03</b>            | <b>Perform procedures</b><br>Carry out calculations of break-even, cash flow, accounting ratios, and interpret business performance data.   | 10                        |
| <b>A04</b>            | <b>Analyse information</b><br>Analyse and evaluate the business environment, the impact of globalisation, the sources of finance available to enterprises and management of business risks when planning, measuring and improving performance.  | 10                        |
| <b>A05</b>            | <b>Making connections</b><br>Make connections between the business environment, globalisation and its impact on enterprises, the analysis tools used to analyse and evaluate business risks and the interpretation of financial information when planning, measuring and improving performance. | 10                        |
| <b>Total</b>          |   | 100                       |

There will be a small tolerance applied to these target percentages to ensure that overall assessment difficulty is consistent across each series. The maximum range is +/- 2%

## Performance descriptors

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| Grade | Descriptor   |
|-------|--|
| Pass  | <p>Students will be able to recall basic facts and terminology of the internal and external business environment and demonstrate a basic understanding of types of enterprise and stakeholders.</p> <p>Students will be able to demonstrate a basic understanding of the purpose and components of business planning, market research and analysis.</p> <p>Students will be able to carry out basic calculations and perform routine calculations. They are able to convert figures from one form to another.</p> <p>Students will be able to demonstrate a basic understanding of the impact of globalisation, the sources of finance, and management of business risks.</p> <p>Students will be able to make basic connections between globalisation and its impact on enterprises, the importance of financial planning, and use analysis tools to analyse and evaluate basic business risks.</p> |

| <b>Grade</b> | <b>Descriptor</b>   |
|--------------|---|
| Distinction  | <p>Students will be able to recall detailed facts and terminology of the internal and external business environment and demonstrate a detailed understanding of types of enterprise, stakeholders, and the impact of stakeholders and globalisation on enterprises.</p> <p>Students will be able to demonstrate a detailed understanding of the purpose and components of business planning, market research and the purpose of different methods of market research, market analysis and the role of the marketing mix.</p> <p>Students will be able to carry out detailed calculations and perform multistep business calculations. They are able to convert figures from one form to another with precision.</p> <p>Students will be able to demonstrate a detailed understanding of the impact of globalisation, sources of finance, and management of business risks on business performance, and of the purpose of performance measurement, management information and quality systems.</p> <p>They will be able to make detailed connections between globalisation and its impact on enterprises, the importance of financial planning, and they will use analysis tools to analyse and evaluate detailed business risks and how they impact on enterprise trends.</p> |

# Entry and assessment information

## Student entry

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Details on how to enter candidates for the examination for this qualification can be found on our website, [qualifications.pearson.com](http://qualifications.pearson.com)

The closing date for entries is approximately six weeks before the start of each examination series. Centres should refer to the published examination timetable for examination dates.

## Combinations of entry

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There are no forbidden combinations of entry for this qualification.

## Age

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Students must be a minimum of 16 years old to be entered for this qualification.

## Resitting the qualification

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Candidates can resit the examination for Pearson LCCI Level 3 Certificate in Business Principles and Enterprise (ASE20301). Candidates can be entered immediately for the next series of the next examination for this qualification.

## Awarding and reporting

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The Pearson LCCI Level 3 Certificate in Business Principles and Enterprise (ASE20301) qualification is graded and certificated on a three-grade scale: Pass/Merit/Distinction.

## Access arrangements, reasonable adjustments and special consideration

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### Access arrangements

Access arrangements are agreed before an assessment. They allow students 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 student with a disability, without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with their duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students 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 person 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 person 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, which will include:

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

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, has untenable 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 student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination or 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 their 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](http://www.jcq.org.uk)

## Equality Act 2010 and Pearson equality policy

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Equality and fairness are central to our work. Our equality policy requires all students to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every student.

We are committed to making sure that:

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

You can find details of how to make adjustments for students with protected characteristics in the policy document *Access Arrangements, Reasonable Adjustments and Special Considerations*, which is on our website [qualifications.pearson.com](http://qualifications.pearson.com)

## Candidate malpractice

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Candidate malpractice refers to any act by a candidate 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 M1* (available at [www.jcq.org.uk/exams-office/malpractice](http://www.jcq.org.uk/exams-office/malpractice)). The form can be emailed to [pqsmalpractice@pearson.com](mailto:pqsmalpractice@pearson.com) or can be posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. 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

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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(a)* (available at [www.jcq.org.uk/exams-office/malpractice](http://www.jcq.org.uk/exams-office/malpractice)). The form, supporting documentation and as much information as possible can be emailed to [pqsmalpractice@pearson.com](mailto:pqsmalpractice@pearson.com) or posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. 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 *General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments Policies and Procedures*, available at: [www.jcq.org.uk/exams-office/malpractice](http://www.jcq.org.uk/exams-office/malpractice)

## Language of assessment

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

## Other information

### **Total Qualification Time (TQT) and Guided Learning Hours (GLH)**

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For all regulated qualifications, we specify a total number of hours that students are expected to undertake in order to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating students, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

TQT and GLH are assigned after consultation with users of the qualifications.

This qualification has a TQT value of 190 and a GLH of 150.

### **Student recruitment**

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Pearson follows the JCQ policy concerning recruitment to our qualifications in 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.

## Prior learning and other requirements

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There are no formal entry requirements for this qualification.

Students may be studying in a local language but the assessment will be in English. Pearson recommends students have B1 level of English on the Common European Framework of Reference (CEFR). This will support access to the assessment materials and ensure that students are able to communicate responses effectively.

Pearson's *Recognition of prior learning policy and process* document can be found at [qualifications.pearson.com/policies](http://qualifications.pearson.com/policies)

## Progression

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The progression route for the Pearson LCCI Level 3 Certificate in Business Principles and Enterprise is primarily into entry-level employment. However, it may also help with progression routes across the suites, to qualifications such as:

- Pearson LCCI Level 3 Diploma in Business
- Pearson LCCI Level 3 Diploma in Marketing
- Pearson LCCI Level 3 Advanced Diploma in Business and Enterprise.

## Exemptions

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We are seeking exemptions for our qualifications from a number of professional bodies. For the latest list, please visit the Pearson LCCI website and choose your relevant qualification.

## Codes

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This qualification is approved by Ofqual and meets the Ofqual General Conditions for inclusion on the Register of Regulated Qualifications. The Qualification Number (QN) is: 603/3107/0.

The subject code for Pearson LCCI Level 3 Certificate in Business Principles and Enterprise is: ASE20301. The subject code is used by centres to enter students for a qualification. Centres will need to use the entry codes only when claiming students' qualifications.

# Support, training and resources

## Training

Pearson offers support and training to teachers on the standard of delivery and preparing students to meet the assessment requirements.

## Specifications, sample assessment materials and teacher support materials

The *Pearson LCCI Level 3 Certificate in Business Principles and Enterprise Sample Assessment Materials* document (ISBN 9781446956816) can be downloaded from [qualifications.pearson.com/lcci](http://qualifications.pearson.com/lcci)

To find a list of all the support documents available, please visit [qualifications.pearson.com/lcci](http://qualifications.pearson.com/lcci)



# Appendices

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## Appendix 1: 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. IAS terminology is used in the content of the LCCI financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications.

Centres should be aware that these terms are also referred to as International Finance Reporting Standards (IFRS), in certain contexts within the industry, however, the definitions and meaning remain the same.

| <b>IAS terminology</b>                                    | <b>Previously used UK GAAP terminology</b> |
|---|--|
| Financial statements                                      | Final accounts                             |
|   |  |
| <b>Statement of comprehensive income</b>                  | <b>Trading and profit and loss account</b> |
| Revenue   | Sales                                      |
| Raw materials/ordinary goods purchased                    | Purchases                                  |
| Cost of sales   | Cost of goods sold                         |
| Inventory   | Stock                                      |
| Work in progress  | Work in progress                           |
| Gross profit  | Gross profit                               |
| Other operating expenses                                  | Sundry expenses                            |
| Allowance for doubtful debt                               | Provision for doubtful debt                |
| Other operating income                                    | Sundry income                              |
| Investment revenues/finance income                        | Interest receivable                        |
| Finance costs   | Interest payable                           |
| Profit for the year                                       | Net profit                                 |
| Retained earnings   | Profit/loss balance                        |
|   |  |
| <b>Statement of changes in equity (limited companies)</b> | <b>Appropriation account</b>               |
|   |  |
| <b>Statement of financial position</b>                    | <b>Balance sheet</b>                       |
|   |  |

| <b>IAS terminology</b>         | <b>Previously used UK GAAP terminology</b>                                  |
|--------------------------------|---|
| <b>Non-current assets</b>      | <b>Fixed assets</b>   |
| Property                       | Land and buildings  |
| Plant and equipment            | Plant and equipment   |
| Investment property            | Investments   |
| Intangible assets              | Goodwill etc.   |
|                                |   |
| <b>Current assets</b>          | <b>Current assets</b>   |
| Inventory                      | Stock   |
| Trade receivables              | Debtors   |
| Other receivables              | Prepayments   |
| Cash and cash equivalents      | Bank and cash   |
|                                |   |
| <b>Current liabilities</b>     | <b>Current liabilities/creditors: amounts due within 12 months</b>          |
| Trade payables                 | Creditors   |
| Other payables                 | Accruals  |
| Bank overdraft and loans       | Loans repayable within 12 months  |
|                                |   |
| <b>Non-current liabilities</b> | <b>Long-term liabilities/creditors: amounts falling due after 12 months</b> |
| Bank (and other) loans         | Loans repayable after 12 months   |
|                                |   |
| <b>Capital or equity</b>       | <b>Capital</b>  |
| Share capital                  | Share capital   |
|                                |   |
| <b>Statement of cash flows</b> | <b>Cash flow statement</b>  |
|                                |   |
| <b>Other terms</b>             |   |
| Inventory count                | Stocktake   |
| Carry over                     | Net book value  |

## Appendix 2: Key words typically used in assessment

The following table shows the key words that will be used consistently by Pearson in our assessments to ensure students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is provided for guidance only.

| Command or term | Definition  |
|-----------------|---|
| Analyse         | Examine in detail, in order to discover the meaning or essential features of a theme, topic or situation, or break something down into its components or examine factors methodically and in detail. To identify separate factors, say how they are related and explain how each one contributes to the topic.<br><br>For example, 'Analyse the...'   |
| Calculate       | Determine the amount or number mathematically.<br><br>For example, 'Calculate the...'   |
| Complete        | Include all the information that is needed for the integrity of a subject.<br><br>For example, 'Complete the...'  |
| Describe        | Give a clear, objective account in their own words showing recall and, in some cases, application of the relevant features and information about a subject.<br><br>Use of this verb normally requires breadth of content coverage.<br><br>Evidence will normally be written but could be through presentation or, less frequently, performance or practice.<br>For example, 'Describe one...' |
| Evaluate        | Review information before bringing it together to form a conclusion or come to a supported judgement of a subject's qualities in relation to its context, drawing on evidence: strengths, weaknesses, alternative actions, relevant data or information.<br><br>For example, 'Evaluate the...'  |

| Command or term | Definition  |
|-----------------|---|
| Explain         | <p>Show clear details and give reasons and/or evidence to support an opinion, view or argument.</p> <p>Could show how conclusions are drawn (arrived at). Show that they comprehend the origins, functions and objectives of a subject, and its suitability for purpose.</p> <p>For example, 'Explain one...'</p> |
| State           | <p>Express something definitely or clearly.</p> <p>For example, 'State two...'</p>  |
| Which           | <p>Specify one or more items from a definite set.</p> <p>For example, 'Which one of these...?'</p>  |

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