

Pearson LCCI Level 3 Certificate in

Business Principles and Enterprise (ASE20301)



TEACHER'S GUIDE



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TEACHER'S GUIDE

Introduction

Welcome to the Teacher's Guide for Pearson LCCI Level 3 Certificate in Business Principles and Enterprise (ASE20301). We are delighted that you are interested in teaching this new qualification in the LCCI Business suite. We have provided this free resource written by subject experts to support your delivery of the specification. It was created to support both new and existing LCCI teachers and is based on the content of the specification. It is essential that you familiarise yourself with the full requirements of the specification.

This guide is purely for support purposes and is not designed to be a substitute for the specification itself.

We encourage you to check the Pearson website for further information about LCCI qualifications.

1

Specification overview

All of the new specifications have been designed in the same way to allow for comparability and ease of understanding across the LCCI portfolio.

Here you can see an example of how the content in the new specifications are organised.

1. The internal and external business environment

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

The content is broken down into **topic headings**. In this example, the topic heading can be seen at the top of the page, labelled 1. *The internal and external business environment.*

Each topic heading is divided into **subject content** and are labelled with numbers. In this example, the subject content is shown on the left of the table, labelled 1.1 *Types of enterprise.*

The subject content is further subdivided into **specific content** items that students need to learn and will be assessed in the examination. These items are preceded by a **rider statement** (discussed later in this section) and the specific content is shown as bulleted lists. The solid bullet points indicate what students need to know and the hollow bullet points indicate the specific content required. In this example, students need to know *the purpose of a business enterprise, the differences between the public sector and the private sector, different types of enterprise and the changing nature of enterprise. This can be broken down further, for example for different types of enterprise to cover sole traders, partnerships, limited companies, public corporations and social enterprises.*

Note: Many of the new specifications have a content topic on legal and ethical considerations. Please note that when teaching this topic, although learners must be aware of relevant legislation, regulations and codes of practice, the specific names, dates and sections of these will not be assessed in the examination.

Rider statements

Each subject content area has a heading followed by a rider statement. The rider statements in the specification outlines the breadth and depth of the content. It details what the student needs to know and/or be able to demonstrate in the examination. It will be expressed in sentence case (not bullet points) and will be followed by the specific content to support the statement to which it relates. In the previous example you saw when exploring the specification structure and format, the rider statement can be clearly seen at the top right of the table:

Understand the characteristics, advantages and disadvantages of different types of enterprise in the public and private sectors.

Specification terminology

In order to understand the breadth and depth of what needs to be taught and learned, the below provides a brief explanation of each of the typical terms which can be found in the rider statements for this qualification. In the Level 3 Business Principles and Enterprise specification, two are used:

Understand Rider statements which start with the command word '*understand*' require learners to explain business principles and practices by providing specific examples or with reference to a specific business case study or scenario.

Calculate Rider statements which start with the command word '*calculate*' require learners to use given data or extract from a data set and perform calculations sometimes using a set formula.

2

Content

This qualification is split into **four** content (topic) areas. These content areas can be found on the 'Specification at a glance' page of each specification. For this qualification, the content areas are:

1. The internal and external business environment
2. Business planning for small and established enterprises
3. Managing business risks and growth
4. Measuring and improving the performance of the enterprise

In this section, there is an overview of each content area which provides a summary of the approach that could be taken when teaching the content. This introduction is then followed by a table which covers:

- The outcomes of each subject content area which learners will need to know once they have completed the topic
- A set of sequenced teaching activities which build upon learners' knowledge and understanding of the subject matter
- Suggested classroom activities that can be completed by the learners
- Suggested homework tips.

1

The internal and external business environment

Provide a brief overview of the specification content and how the learners will be assessed. This would provide a useful context to Topic 1, *The internal and external business environment*.

It might be useful to use the students' own experience of the world of work to provide examples of:

- the types of businesses which exist in the local and national economy
- the purpose of different enterprises
- their features
- their respective advantages and disadvantages.

Examples of local, national or international entrepreneurs could provide the basis for:

- analysing how these characteristics are applied in different business contexts
- identifying the common features associated with successful entrepreneurs in different business contexts.

One characteristic which will be identified by looking at successful entrepreneurs is the central importance they place on meeting the needs and interests of consumers in their target market. Introducing the influence of customers will then provide the opportunity for students to:

- consider the needs and interests of other stakeholder groups
- understand the nature of both the internal and external business environments.

The influence of the external business environment will lead on to consider the way in which the government can influence the activities of a business, and this can be followed by showing the increasing importance of corporate social responsibility (CSR).

At Level 3 students need to understand the link between:

- the needs and interests of the various stakeholder groups
- the role of the government
- the increasing importance of CSR, particularly in the context of globalisation.

Finally, the teaching programme should return to the characteristics of the internal business environment by looking at:

- the role of different organisational structures

- the functions of departments
- the factors that can impact upon the culture of a business such as:
 - management style
 - the size of the business.

Specific content	Outcomes	Suggested teaching	Activities
<p>1.1 Types of enterprise</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the characteristics, advantages and disadvantages of different types of enterprise in the public and private sectors.</i></p>	<ol style="list-style-type: none"> 1. Prepare a short presentation on the four areas covered by the specification and how the learners will be assessed. 2. Prepare a list of different types of enterprise characterised by ownership, size and sector. Students will be required to classify the enterprises into common groupings and sub-sets (for example sole traders will be a sub-set of private sector enterprises). 3. Teacher-led classroom discussion on the key differences between the public and private sectors focussing upon aspects such as aims, control and finance. 4. Classroom debate on the advantages and disadvantages of the respective sectors of the economy (public versus private sector). 5. Students to choose a sole trader from the local economy and identify its aims, product or service and advantages and disadvantages. 6. Prepare a tabular proforma listing the main types of enterprise in the public and private sector; students to fill in the table identifying the advantages and disadvantages of each enterprise. 7. Introduce the concept of internet trading – online businesses without a traditional retail outlet; students to research different types of internet businesses and their common characteristics (including 24/7 access by the consumer and online ordering facilities), cost advantages of online businesses and the characteristics of successful online businesses (customer service; secure and reliable technological infrastructure). 8. Students to research the characteristics of business 'pop-ups' and the reasons for their growth in the economy, including low overheads and lower business risks than traditional enterprises. 	<p>Students commence an on-going glossary of recording key business terms with definitions.</p> <p>Research of types of enterprises from the local, national and international economy.</p> <p>Class discussions.</p> <p>Complete table of the advantages and disadvantages of different types of enterprises.</p> <p>Classroom debate (public versus private sector).</p> <p>Research into online businesses and 'pop-ups' to determine key characteristics and advantages.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Revision for short test. • Update glossary of terms. • Sample examination questions ('State' questions; Multiple choice questions; Multiple response questions; Short 'explain' questions).

<p>1.2 The business environment and the enterprise</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how enterprise operates in a competitive market.</i></p>	<ol style="list-style-type: none"> 1. Ask the students to prepare a list of four products they have purchased in the last week and the criteria they used to make their purchasing decisions (they could tabulate their results); link this to the concept of a competitive market and its main features. Draw out from the discussion the implications for the business of operating in a competitive market. 2. Refer to the work completed in Section 1.1; lead a classroom discussion on the characteristics of a successful business and the common role, qualities and characteristics of successful entrepreneurs. This could be backed-up by short video clips of interviews with entrepreneurs or inviting a local business owner to take part in a question and answer session with the students. 3. Teacher presentation on the characteristics of the economy and the notion of business activity as a means of producing goods and services to satisfy needs and wants; this could be backed up by students working in small groups to research the characteristics of their own local/national economy; followed by a teacher-led classroom discussion to compare and contrast the features and characteristics of the local and national economy. 4. Students to research local, national and international enterprises to identify the contribution and importance of entrepreneurs to the economy; this could include obtaining data on products produced, the size of the workforce, new product innovation and how these impact on the standard of living. 5. Teacher prepared case study of what happens in the local or national economy when an enterprise fails. 	<p>Group work comparing the characteristics of successful entrepreneurs</p> <p>Complete research on the impact of entrepreneurs on the national economy</p> <p>Case studies of notable entrepreneurs from the local, national or global economy and their achievements</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Revision for short test. • Update glossary of terms. • Research into the students' own local/national economy (size of GDP, population, working population, main sectors, exports and imports and examples of major enterprises).
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<p>1.3 Stakeholders</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the power, influence, impact and competing interests of stakeholders on an enterprise.</i></p>	<ol style="list-style-type: none"> 1. Students work in pairs to identify the main groups of people affected directly or indirectly by the activities of different types of enterprise. 2. Teacher-led classroom discussion to classify different groups; teacher introduces the notion of stakeholder groups; students then classify the identified stakeholder groups into internal and external stakeholders. 3. Students work in small groups to identify the impact of different decisions taken by different enterprises on internal and external stakeholder groups. <ul style="list-style-type: none"> • Teacher-prepared case studies could include the following: • actions taken by an enterprise to address a fall in profitability • relocation of an enterprise • demand for an increase in wages by workforce representatives • a takeover or business merger. 4. Teacher-led classroom discussion to address the issues arising from the different case studies. 5. Teacher presentation on the competing interests of stakeholders on an enterprise. 6. Refer to the work completed in Section 1.2 on the economy and why the government would seek to influence the level of business activity in the economy; Teacher-led presentation of government economic and social aims. 7. Teacher-prepared worksheet identifying the measures announced by the government in its most recent annual budget statement (tax and government expenditure); students to identify the likely impact of each of the budget measures. 8. Teacher-led classroom discussion on the role of interest rates as a means of influencing business activity; student activity to analyse the impact of increasing/lowering interest rates on different stakeholder groups. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Class discussions.</p> <p>Business scenarios on stakeholder groups.</p> <p>Worksheet on budget measures.</p> <p>Business scenarios on the impact of government legislation on the activities of different types of enterprises.</p> <p>Prepare a business case for the adoption of corporate social responsibility (CSR) with appropriate examples for its implementation.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Revision for short test. • Update glossary of terms. • Sample examination questions ('State' questions; Multiple choice questions; Multiple response questions; Short 'explain' questions). • Introduce open-ended examination-type questions.
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		<p>9. Teacher-prepared presentation on government legislation which regulates enterprises and the implications for an enterprise; students to complete a series of teacher-prepared business scenarios relating to the 4 aspects of government legislation identified in the specification (health and safety, data protection, employment, consumer protection).</p> <p>10. Refer to the work completed earlier in this section regarding the different stakeholder groups. Teacher to provide examples of the wider implications of an enterprise's activities, such as its influence on the community, society and the environment, in order to introduce the concept of corporate social responsibility (CSR).</p> <p>11. Students to undertake research into the mission statements/ value statements/CSR statements/CSR policies with practical examples of their implementation; follow this by a teacher-led classroom discussion on the common features of these statements and examples.</p> <p>12. Students to formulate the business case for CSR (costs weighed against advantages, including financial, market and reputational advantages).</p>	
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<p>1.4 The impact of globalisation on the business environment</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand globalisation and its impact on large and small enterprises.</i></p>	<ol style="list-style-type: none"> 1. Ask the students to conduct research to identify a range of enterprises that operate in different countries; students to share their research with the rest of the class. 2. Teacher presentation on the characteristics of multinational corporations (MNCs) and the features in the global economy in which they operate, leading on to the notion of the global economy and its features. Note: It is useful here to refer back to Section 1.2 (<i>The business environment and the enterprise</i>). 3. Students to identify the impact of MNCs on national economies (including production, standard of living, development of the infrastructure, employment, innovation and technology). 4. Students to research the negative implications of MNCs on the economy. 5. Teacher-prepared presentation on the role of trading blocs as tariff-free zones; international currencies US dollar and the Euro. 6. Teacher-led presentation on currency exchange and currency fluctuations and their impact on an enterprise as an exporter of goods and an importer of raw materials; teacher-prepared business scenario of the impact of currency fluctuations; students' complete calculations to identify the impact on import and export prices/costs and the implications for an enterprise. (Note: Students will not be required to complete calculations of currency fluctuations in the examinations but will need to understand the implications of currency fluctuations on enterprises). 7. Refer to Section 1.1 (<i>The types of enterprise</i>), with specific reference to sole traders and other small enterprises. Students to identify the potential benefits to a small enterprise afforded by globalisation (for example, access to wider market and more consumers, the 'go-it-alone' model with own website and online shopping channel). 8. Students divided into small groups to research more formal (and less risky) ways of engaging in the global economy (agencies, licensing and franchising). Students to identify the characteristics, features and benefits of each. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Research case studies of MNCs (location, structure, size and products).</p> <p>Currency fluctuations and their impact on enterprises.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Case studies of how small enterprises engage with the global economy (identifying common characteristics). • Revise for short test. • Update glossary of terms. • Sample examination questions ('State' questions; Multiple choice questions; Multiple response questions; Short 'explain' questions; open-ended questions).
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<p>1.5 Business structure and culture</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how the structure of the enterprise changes as it grows and the impact it has on business culture and corporate image and identity.</i></p>	<ol style="list-style-type: none"> 1. Teacher provides students with organisational structure charts of different enterprises, differentiated by complexity, size, product or service produced; students are required to identify similarities and differences between the organisational structures. 2. Teacher-led presentation on the features of organisational structures, including line management and the chain of command. 3. Teacher presents two further organisational structures – one in a functional format and another in a matrix format; students to identify the features and differences between the two organisational structures. 4. Teacher-led presentation on the advantages and disadvantages of functional and matrix organisational structures. 5. Return to the original set of organisational charts and ask the students to separate them into small, medium and large enterprises; students are then asked to identify the changes in organisational structure that take place as a business grows in size (and complexity); followed by teacher-led class discussion to confirm understanding. 6. Students are asked to list the characteristics of their learning centre or place of work; students compare and contrast their responses; teacher introduces the concept of organisational or business culture ('the way things are done around here'). 7. Teacher presentation on the factors that influence business culture; teacher-led class discussion to identify students' own experience of some of the factors identified in the teacher presentation. 8. Class quiz: teacher prepares a worksheet with business logos (but without names); students are asked to identify the name of the businesses represented by each of the logos. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Reviewing different organisational structure charts for their common features, similarities and differences.</p> <p>Analysing how structures change as an enterprise grows in complexity.</p> <p>Classroom quiz on business logos.</p> <p>Identifying key features of corporate image and identity of different businesses linked to the aspirations and lifestyle of target consumers.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Revise for a classroom test under examination conditions covering all aspects of Topic 1.
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		<p>9. Teacher-led class discussion – the importance of corporate image and identity and the differences between the two concepts; students asked to provide a list of words associated with different enterprises such as quality, luxury, value for money, youthful, innovative, traditional, socially responsible. (Note: MNCs or high-profile national companies are appropriate); the students should then identify the characteristics associated with the target market of each of the enterprises; this can be followed by a teacher-prepared presentation on the business case for establishing a positive corporate image and identity.</p> <p>10. Topic review – teacher presentations which draws together the main elements of each section in Topic 1, showing their inter-relationship and identifying the key learning points.</p> <p>Teacher provides exemplar material of how to approach examination questions based upon Topic 1.</p>	
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2

Business planning for small and established enterprises

Examples of the range of risks to which the business is exposed should be reviewed at the initial stage of introducing Topic 2, since this will provide the basis for introducing the importance of business planning (business risks will be explored further in Topic 3 but, at this stage the students need to understand business risks, such as a fall in consumer demand or the entry of a new competitor into the market).

It is important for the students to understand that business planning does not eliminate risks but instead allows the business to:

- identify business risks
- evaluate the impact of the risks
- understand how businesses establish a framework in which those risks can be managed, thereby reducing the impact of the risks should they arise.

Business planning is central to this process.

Students should be introduced to:

- the business planning process
- the composition of a business plan for a small enterprise.

This can then be compared to the planning process of an established corporation, identifying the link between:

- strategic planning
- operational planning
- business tactics.

This will provide a link with the areas covered in Topic 1, including the types of business enterprise and globalisation (business strategy for a large corporation, for example, may include the development of international markets).

Students should be introduced to the business tools and techniques used by businesses to:

- analyse the market (Porter's Five Forces Analysis)
- develop its marketing strategy (the extended 7Ps marketing mix)
- take account of the implications of the change of demand for a product over time (the product life cycle).

A link should be made to the work covered in Section 1 on business structures, to introduce the role and importance to the planning process of three different but related aspects:

- human resources
- financial planning
- production planning.

In addition to looking at the specific contribution of each of these three functions, it is important for students to understand their interrelationship and how the three functions work together to achieve the objectives of the business.

In this topic, students will be introduced to break-even analysis and will be required to perform procedures which will enable them to calculate the break-even point by formula. It is therefore advisable for them to refresh their numeracy skills by practicing some simple introductory business calculations, which will help them to extract data and use the break-even formula. This will also be useful in Topic 4, when they will be required to perform calculations using data extracted from financial statements.

Specific content	Outcomes	Suggested teaching	Activities
<p>2.1 The purpose and components of planning</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose of business plans.</i></p>	<ol style="list-style-type: none"> 1. Divide students into small groups; each group to plan a family holiday and record the stages in their decision-making process. 2. Teacher-led class discussion based up feedback from each of the groups; teacher to identify the common stages involved in the key decisions drawn from each group. 3. Follow-on the class discussion with a teacher-prepared presentation – the purpose of business planning (to include opportunities in the market, the human, financial and physical resources needed, risks and opportunities for growth as stated in the specification). 4. Using the same student groupings; the students will consider an enterprise start-up which requires business finance from a bank (either their own business idea or one selected for them by the teacher); students to record the stages in the decision-making process. 5. Student groups take it in turns to be the 'bank manager' or the owner of the enterprise start-up. Bank manager to question the owner(s) to decide if their business merits a bank loan (teacher to act as facilitator). 6. Teacher-led presentation on the components of an enterprise start-up plan (ensure to include the points stated in the specification). 7. Refer back to the role of the entrepreneur in Section 1.2; Teacher-led classroom discussion to determine the key success factors in the business planning. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Devising outline business plan for a new enterprise start-up.</p> <p>Role play exercise to follow through an application for a bank loan based upon a business plan for a new enterprise start-up.</p> <p>Complete business scenario flow charts to show the planning relationships in a business corporation.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Devise a business plan for an enterprise start-up. • Revision for classroom test. • Research the Annual Reports of public limited companies to identify strategic priorities and plans.

		<p>8. Teacher-led presentation to introduce corporate planning and organisational structures. Refer back to Section 1.1 (<i>Types of enterprise</i>) and 1.5 (<i>Business structure and culture</i>) and how the structure of a business changes as it grows in size and becomes more complex. Familiarise students with the characteristics of a larger, corporate enterprise, such as a recognised national limited company or an MNC. Presentation to cover the different types of corporate plans and their relationship with business tactics.</p> <p>9. Students to complete a set of teacher-prepared business scenarios, in which they are required to complete flow charts to identify the relationship between high level corporate plans (aims), operational plans and tactics. For example, scenarios could be based upon the development of a new product or the expansion into a new overseas market.</p>	
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<p>2.2 Market research and market analysis</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose and methods of market research, market analysis and the role of the marketing mix.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the organisation charts covered in Section 1.5 and 2.1. Highlight to the students the following three functional areas: marketing, human resources and production, which will be considered in terms of their contribution to the planning process. 2. Teacher-prepared presentation and follow-up classroom discussion on market research methods (to include surveys, observation, focus groups, interviews and trials as stated in the specification). 3. Students to prepare a set of questions which could be included in customer questionnaires relating to a given product or service; teacher-led classroom discussion to identify how the results of questionnaires could be analysed and interpreted by an enterprise. 4. Refer back to Section 1.2 (<i>The business environment and the enterprise</i>) on features of a competitive market; teacher-led classroom discussion to confirm the features of a competitive market; follow this up with a teacher-prepared presentation on Porter's Five Forces model. 5. Students to undertake an analysis of different markets (e.g. retail food, fashion, motor cars) using Porter's Five Forces model. Follow this up with a teacher-led classroom discussion to highlight the implications for businesses operating in different markets. 6. Refer back to the business plans for an enterprise start-up covered in Section 2.1; introduce students to the extended 7Ps marketing mix. 7. Students to prepare a marketing plan for a new product based around the 7Ps marketing mix; followed by a teacher-led classroom discussion on the different types of activities covered within the marketing mix. 8. Teacher-devised scenarios of products at different stages in the product life cycle; students to determine how the marketing mix can be adapted at different stages in the product life cycle. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Devising market research questionnaires.</p> <p>Apply Porter's Five Forces model in different markets.</p> <p>Apply the 7Ps marketing mix to a new product entering the market for the first time.</p> <p>Apply the 7Ps marketing mix to products at different stages of the product life cycle.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Researching the marketing strategies of businesses to identify how the different parts of the marketing mix are applied.
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		9. Teacher-devised presentation showing the relationship between the product life cycle (and product characteristics) and the marketing mix.	
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<p>2.3 Human resource planning</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the contribution of the human resources function as the enterprise increases in size.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work covered in Section 1.5 on organisational structures and business growth; introduce the purpose of human resource planning; teacher-led classroom discussion on why a business needs to recruit a high-quality workforce. 2. Students to collect a series of job advertisements which cover different job roles in a range of different enterprises (differentiated by size, type and products produced); students identify the common features of the job advertisements; followed by a teacher-led classroom discussion to confirm key learning points. 3. Teacher-prepared presentation on recruitment strategies (ensure to include the points stated in the specification); followed by a teacher-led classroom discussion on the direct and indirect costs of recruitment. 4. Teacher-led classroom discussion on the importance of motivation in the workplace; students to prioritise a list of motivational factors which would be important to them in the workplace; identify the difference between financial and non-financial motivators in the workplace. 5. Students to analyse their job advertisements to extract the different types of remuneration offered for different types of jobs and the range of non-financial motivators (fringe benefits provided by different businesses). 6. Teacher-prepared presentation summarising the different types of financial and non-financial methods of increasing workplace motivation (ensure to include the points stated in the specification). 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Collate job advertisements to determine common features and extract financial and non-financial methods of motivating the workforce.</p> <p>Personal analysis of the relative importance of financial/non-financial analysis.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Collect a set of recruitment adverts from a variety of sources. • Revision for classroom test. • Complete sample examination questions drawn from different business scenarios.
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<p>2.4 Financial planning</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>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.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work covered on business planning and the need for business finance to support a new enterprise start-up (application for a bank loan); teacher-prepared presentation on the types of business finance (ensure to include the points stated in the specification). 2. Students complete a series of teacher-devised business scenarios to identify the appropriate business finance in a variety of different business situations; followed by a teacher-led classroom discussion to confirm main learning points. 3. Refer back to the work covered in Section 1.1 (<i>Types of enterprise</i>) and corporate planning in Section 2.1; confirm students understanding of limited liability in respect of the owners of public limited companies (PLC); individual students to identify their own attitude towards risks in respect of buying shares (would they be willing to invest in a PLC if their capital was at risk?); followed by teacher-prepared presentation on the features of the types of shares and loan stock (debentures) issued by public limited companies. 4. Students are allocated a notional sum of money to invest in a public limited company; students choose a public limited company and track the changes in its share prices over the remainder of the course and the value of their shareholding in the company over time. (Notes: (i) this could be plotted on a graph (ii) this will be a useful source document which can be referred to in Section 3.3 (<i>Managing change</i>). 5. Refer back to the work covered on the business plan of a new business enterprise; teacher-led presentation on break-even analysis. It is best to divide this presentation into two parts with the first part looking at costs, revenue and profit followed by a student exercise, and a second part focussing upon the break-even formula and its graphical representation. 6. Following the first part of the presentation, students' complete calculations on fixed costs, variable costs, revenue and the break-even point. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Track share movements and value of shareholdings over time.</p> <p>Calculate costs, revenues and profit.</p> <p>Distinguish between different types of costs (fixed and variable).</p> <p>Complete simple cash flow forecasts.</p> <p>Calculate budget variances.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Complete cash flow forecasts and identify any potential issues and how they could be addressed. • Break-even calculations. • Analyse budget variances and suggest actions to address the variances. • Complete exam-type questions.
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		<ol style="list-style-type: none">7. Following the second part of the presentation, students use the break-even formula to calculate the break-even point from teacher-prepared data sets.8. Teacher-led classroom discussion to determine the types of cash inflows and cash outflows of a business.9. Teacher-prepared presentation showing the completion of a simple cash-flow forecast.10. Students to complete simple cash-flow forecast and identify potential issues arising from an analysis of the forecast.11. Students provided with a notional personal household income, details of household income and are required to devise a 6-month household budget; teacher to insert changes in personal circumstances over the period of the 6-month plan with students having to re-adjust their budgets accordingly.12. Refer back to the work covered on business planning and the need for business finance to support a new enterprise start-up in Section 2.1 and introduce the process of business budgeting; teacher-prepared presentation on the budget techniques including simple variance analysis.13. Students calculate variances based upon teacher-prepared budget figures.14. Students to identify how budget variances can arise and the actions a business could take to address budget variances.	
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<p>2.5 Production planning</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the importance of resource management in the production planning process for large and small enterprises.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the business planning covered in Section 2.1 and 2.4 (break-even analysis); students to identify the resource requirements of their businesses (this can link into fixed and variable costs). 2. Teacher-led presentation on resource management in relation to the production function (ensure to include the points stated in the specification). 3. Teacher to provide a prepared business scenario for two different businesses, and students need to complete a comparative analysis to determine the relative efficiency and effectiveness of each business; followed by a teacher-led classroom discussion to confirm key learning points. 4. Teacher-led presentation on just in time (JIT) inventory management. (Note: It would be useful to show a short video-clip of how JIT works in practice). 5. Students to undertake research to find out how different business sectors apply JIT techniques e.g. supermarkets, car manufacturers. 6. Teacher-prepared presentation of computer-aided design (CAD) and computer-aided manufacturing (CAM). (Note: It would be useful to show a short video-clip of how CAD and CAM work in practice). 7. Topic review – teacher presentations which draws together the main elements of each section in Topic 2, showing their inter-relationship and identifying the key learning points. 8. Teacher provides exemplar material of how to approach examination questions based upon Topic 2. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Comparative analysis to identify differences in efficiency and effectiveness.</p> <p>Research into JIT applications in business.</p> <p>Research into CAD and CAM applications in business.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Complete business scenarios to suggest actions to address deficiencies in efficiency and effectiveness. • Complete exam-type questions.
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3

Managing business risks and growth

Topic 3 will introduce learners to the classification of business risks:

- financial
- legal
- reputational.

The notion of business insurance as a risk transfer mechanism will enable the students to understand how business insurance can reduce the impact of business risks for the enterprise.

The students should then be introduced to the importance of growth as a business objective. This could include:

- physical growth (for example, growth in the size of plant or output, an increase in the workforce)
- growth of market share (increase in the number of consumers)
- growth of the product range (new innovations)
- growth into overseas markets.

This will link into Topic 2 which considered business plans. Hence, Topic 3 will be focused upon established enterprises and how they seek to move on to the next stage in their development.

This will involve the students understanding and applying business analysis tools in different business contexts:

- SWOT analysis
- STEEPLE analysis
- Ansoff Matrix
- Boston Consulting Group (BCG) Matrix

The Topic will be completed by considering the internal and external factors that can impact upon change, which will again link with planning and business risks covered in Topic 2.

Specific content	Outcomes	Suggested teaching	Activities
<p>3.1 Business risks</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the importance to enterprises of identifying and managing business risks and how these risks might change as an enterprise grows.</i></p>	<ol style="list-style-type: none"> 1. Refer back to Section 2.1 (<i>Business planning for small and established enterprises</i>) and the business plan of a new enterprise start-up; students work in pairs or small groups to identify the types of risks faced by the enterprise. 2. Follow on this activity with a teacher-led classroom discussion in which the students share their ideas on the business risks for a new enterprise start-up. Using teacher-prompts, the students place each of their identified risks into three categories – financial, legal and reputational risks. 3. Teacher-prepared business scenarios which require the students to identify and evaluate the types of business risks faced by enterprises in different situations. (Note: The scenarios should be differentiated, so that the students become aware of how the nature of business risks change as an enterprise grows). Follow on with a classroom discussion to confirm key learning points. 4. Refer back to Section 2.1 and remind students of the difference between corporate plans, operational plans and business tactics; students to work with the same scenarios used in the previous activity and identify how an enterprise could respond to each of the risks and how this would impact upon the different types of plans and business tactics in different scenarios. 5. Teacher-prepared presentation on the purpose and features of different types of business insurance. (Note: (i) stress that insurance is a risk transfer mechanism and that the decision taken by an enterprise determines whether business risks should be retained within the business or transferred to an insurance company (ii) not all risks can be transferred). 6. Students complete teacher-prepared business scenarios identifying the types of business insurance appropriate to different situations. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Identification, classification and evaluation of business risks based upon business scenarios.</p> <p>Business response to business risks – long-term corporate plans, operational plans and the role of the functional areas and business departments and tactics.</p> <p>Identifying appropriate business insurance in a range of different business scenarios.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Research into the risks covered by different types of business insurances. • Complete exam-style questions.

<p>3.2 Business analysis tools</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Be able to use and apply business tools to analyse and evaluate business risks relating to growth strategies and the product portfolio.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work completed in Topic 1 on the internal and external business environment and Section 3.1 (<i>Business risks</i>). 2. Students to identify a number of internal risks and external risks to which a range of different national or international enterprises may be exposed; follow-on from this with a classroom discussion of some of the strengths of these enterprises. 3. Teacher-prepared presentation on how to conduct a SWOT and STEEPLE analysis. 4. Teacher-prepared business scenarios which require the students to complete a SWOT and STEEPLE analysis; teacher-led classroom discussion to compare student responses and confirm key learning points. 5. Refer back to the work completed on corporate plans, operational plans and business tactics in Section 2.1; teacher to present a short introduction to the purpose of business analysis tools e.g. to assist the planning process by identifying opportunities and risks and maximising return on capital invested. Focus on two aspects of planning – business growth strategies and managing the product portfolio. 6. Teacher-led presentation on growth strategies/risk evaluation in new and existing markets using the Ansoff Matrix. 7. Students complete teacher-prepared business scenarios on the application of the Ansoff Matrix. Follow on with a classroom discussion to confirm key learning points. 8. Teacher-prepared presentation on reviewing the product portfolio using the Boston Consulting Group (BCG) Matrix. 9. Students complete teacher-prepared business scenarios on the application of the BCG Matrix. Follow on with a classroom discussion to confirm key learning points. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Complete SWOT and STEEPLE analysis.</p> <p>Evaluate risks of different growth strategies by applying the Ansoff Matrix.</p> <p>Review and evaluate a product portfolio using the Boston Consulting Group Matrix.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Conduct SWOT and STEEPLE analysis of market leaders. • Undertake research to identify how businesses have changed their product portfolio in response to market needs and their growth strategies.
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<p>3.3 Managing change</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how economic, market and social trends impact on the enterprise.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work completed on SWOT and STEEPLE analysis; students to identify a range of internal and external factors that could impact on an enterprise over time. 2. Follow-on with a teacher-led classroom discussion which identifies how change factors can be classified in terms of economic, market and social trends. 3. Classroom quiz in which students are required to identify whether given change factors are internal or external to the business and how such change factors have been influenced by economic, market or social trends. Examples could include technological innovations, consumer shopping habits, government economic policies, changes in the composition of the workforce, business legislation and competition. 4. Topic review – teacher presentations which draws together the main elements of each section in Topic 3, showing their inter-relationship and identifying the key learning points. 5. Teacher provides exemplar material of how to approach examination questions based upon Topic 3. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Complete business scenarios to identify the impact of different trends (economic, market and social) on individual enterprises and their influence on business plans and tactics.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Research current issues which impact upon (i) individual enterprises (ii) enterprises in general. • Analyse the impact of internal and external change factors on the price of shares and the value of the shareholding (the on-going activity introduced in Section 2.4).
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4

Measuring and improving the performance of the enterprise

Section 4 of the specification covers:

- how a business can assess whether it has achieved its business objectives
- the actions a business can take to improve its performance
- the actions a business can take to address the issues which may have a negative impact on its performance.

Students should know:

- the difference between financial and non-financial performance indicators
- SMART performance targets for both financial and non-financial performance indicators.
- how to distinguish between leading and lagging performance indicators.

Students should be introduced to the importance of management information and could be asked to consider:

- the management information requirements of each of the main areas in a business covered in Topic 2.

The topic also introduces students to those business practices which can influence its performance:

- quality
- workforce management.

Students should understand the features of these two areas and the measures a business can take to improve the quality of its products and process and the effectiveness of its workforce.

The final part of this topic looks at the overall impact and effectiveness of a business's planning function and its associated business practices on its financial performance, measured by data extracted from its financial statements.

As this topic focuses upon the *measurement* of business performance, it is important that the students can extract data from financial statements to evaluate the performance of the business:

- the statement of comprehensive income
- the statement of financial position.

Students will not be required to prepare financial statements but they will need to be familiar with their format, to be able to extract relevant data to calculate and interpret:

- gross profit
- net profit
- profit margins
- Return on Capital Employed (ROCE).

Specific content	Outcomes	Suggested teaching	Activities
<p>4.1 The purpose of performance measurement</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the importance to enterprises of measuring performance and prepare specific, measurable, achievable, relevant, time-bound (SMART) targets for a start-up enterprise.</i></p>	<ol style="list-style-type: none"> 1. Refer back to Section 2.1 (<i>The purpose and components of planning</i>) on components of an enterprise start-up plan; teacher-led classroom discussion to highlight why it is important to measure business performance; students to work in pairs to identify the main reasons for measuring performance, which are then shared with the rest of the group. 2. Students continue working in pairs to identify the types of measures that could be used to measure performance, which are then shared with the rest of the group; teacher-led classroom discussion to differentiate between financial and non-financial performance indicators. 3. Students classify the financial and non-financial performance indicators from the previous two activities. 4. Teacher-prepared presentation highlighting the importance of non-financial performance indicators as stated in the specification. 5. Students complete a teacher-prepared business scenario comparing the performance data of two enterprises and evaluate the respective performance of each enterprise. Responses are shared with the rest of the group. 6. Teacher-led classroom discussion focussing upon (i) the possible reasons for underperformance (ii) the actions that could be taken to address underperformance (iii) the importance of identifying leading and lagging performance indicators. 7. Teacher-prepared presentation on the SMART targets setting with reference to the business objectives of a start-up enterprise. 8. Students complete a teacher-prepared case study of an enterprise after one year of trading. Students required to evaluate performance and set new SMART targets for the second year of trading. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Identify and classify financial and non-financial performance measures.</p> <p>Complete a business scenario to evaluate the comparative performance of two different enterprises from given data.</p> <p>Identify reasons for underperformance and set performance improvement targets based upon the principles of SMART target setting.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Complete business scenarios. • Complete open-ended exam-type questions. • Revise for class test.

<p>4.2 The role of management information</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose of management information in business planning, monitoring and decision making.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work completed on planning in Section 2.1 and business risks in Section 3.1; teacher-led classroom discussion on the need for data and how this data needs to be processed to create management information. 2. Teacher-led classroom discussion on the role of a management information system (MIS) relating to planning, monitoring and forecasting, financial and non-financial performance measures, risk management and decision making. 3. Students to complete an exercise to determine the management information needs of the main functional areas/departments covered in Topic 2 on <i>Business planning for small and established enterprises</i> (marketing, human resources, finance and production). Students should be asked to consider several different business scenarios, such as planning the development of a new product, the marketing of a new product, an analysis of the product portfolio (refer back to the work completed on the Boston Consulting Group Matrix); identifying the risks associated with different growth and investment strategies (refer back to the work completed on the Ansoff Matrix); forecasting and measuring performance against targets. 4. Teacher-prepared presentation on the business decision-making process of an enterprise; take one of the scenarios completed by the students in the previous activity e.g. planning and show the management information required in different stages in the decision-making process. 5. Students to complete the same exercise (going through the stages in the decision-making process) using one of the other business scenarios from their previous activity e.g. the withdrawal of a product from the product range. 6. Refer back to the work completed in Section 3.1 (<i>Business risks</i>); teacher-led presentation on contingency planning/ 'What if?' analysis relating to an enterprise. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Identify management information needs of business departments in different scenarios.</p> <p>Use the stages in the decision-making process to address different business scenarios.</p> <p>Identify contingency plans/actions to address business risks.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Complete business scenarios. • Complete open-ended exam-type questions. • Revise for class test.
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		7. Students complete a teacher-prepared proforma in a tabular format which identifies a range of potential business risks e.g. loss of a major customer, disruption in supplies, unexpected increase in costs, loss of a 'key worker', increase in interest rates and currency fluctuations. Students required to identify the contingency plans that could be put in place to address each of the potential risks identified in the table.	
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<p>4.3 Quality systems</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the features and the impact of different quality systems on business performance.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work covered in Section 4.1 (<i>The purpose of performance measurement</i>); remind students on the importance of non-financial performance indicators and lead a classroom discussion on the importance of quality, in respect of products produced and services provided by the enterprise. 2. Teacher-prepared presentation on the features of quality systems applied by smaller enterprises as listed in the specification. 3. Students to complete an exercise identifying the potential impact of poor quality on business performance and the actions that can be taken by a smaller enterprise to improve the quality of its products and services to customers. 4. Teacher-prepared presentation on the features of additional quality systems applied by larger enterprises as listed in the specification. 5. Teacher-led classroom discussion to identify the expectations of students when purchasing products or using the services of a business; discuss the potential impact on their future purchasing decisions if their expectations in respect of quality are not met and the impact on business. 6. Students undertake research to identify how quality systems are applied in different types of enterprises e.g. food retailers, manufacturing organisations, high street retail outlets. This should link in to the work completed in Section 1.5 (<i>Business structure and culture</i>). This could cover the role of customer service departments (in retail organisations) and looking at short video clips of quality control and quality assurance systems in manufacturing organisations. 7. Refer back to the work completed in Section 4.1 (<i>The purpose of performance measurement</i>) on SMART target setting. Students to complete an exercise requiring them to devise a series of SMART targets aimed at improving quality in a small enterprise and a large corporation. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Complete business scenarios to analyse the reasons for poor performance and identify the impact of poor quality on business performance and how it can be addressed.</p> <p>Set quality improvement SMART targets relating to different activities undertaken by small and large enterprises.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Complete business scenarios. • Complete open-ended exam-type questions. • Research quality systems in larger enterprises. • Revise for class test.
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<p>4.4 Workforce management and development</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how the enterprise can promote and support workforce development.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work completed in Section 2.3 (<i>Human resource planning</i>); students to complete a short exercise identifying the implications for the enterprise of employing people. 2. Teacher-prepared business scenarios identifying a range of different interactions between a manager and an employee (differentiated between autocratic, participative and laissez-faire – although these classifications would not at this stage be explicitly stated); students to identify the characteristics of leadership associated with each interaction. 3. Teacher-led presentation identifying the main leadership styles identified in the specification; students to match each leadership style against the scenarios considered in the previous activity. 4. Teacher-led class discussion on which leadership/management culture they would prefer to work in; the impact of different leadership styles on the workforce; lead into the importance of motivating the workforce. 5. Teacher-prepared presentation on Maslow's theory of motivation. 6. Teacher-prepared business scenarios which require students to apply practical applications which could be taken by enterprises of different sizes that could impact upon different levels within Maslow's hierarchy, thereby increasing workplace motivation. 7. Refer back to the work covered in Topic 2.3 (<i>Human resource planning</i>) in which the students collated a number of different job advertisements; students return to these job advertisements (or collect additional advertisements) and identify the financial and non-financial methods of rewarding individuals in the workplace; students share their findings with the rest of the class. 8. Teacher-prepared presentation on financial and non-financial motivators as listed in the specification. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Classifying different leadership styles in a range of business settings.</p> <p>Practical applications of Maslow's theory of motivation in small and large enterprises.</p> <p>Research the different financial and non-financial methods used by enterprises to motivate their workforce, their features and their impact.</p> <p>Complete individual motivation audits.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Collect examples of job advertisements. • Complete business scenarios. • Complete open-ended exam-type questions.
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		9. Students complete an individual motivation audit in which they must prioritise the factors that would motivate them in the workplace and then share this with the class. Teacher-led classroom discussion on the implications for an enterprise, i.e. individuals in the workforce may be motivated by different development strategies.	
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<p>4.5 Financial statements</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Calculate accounting ratios and interpret the information provided in the statement of comprehensive income and the statement of financial position of a sole trader.</i></p>	<ol style="list-style-type: none"> 1. Refer back to the work completed in Section 4.1 (<i>The purpose of performance measurement</i>); introduce the role of the financial statements. 2. Students complete a series of short exercises in which they are required to calculate gross and net profit from a given set of data. (At this stage, this data should not be in the format of a statement of comprehensive income but simply require the students to gain confidence in manipulating data). 3. Teacher-prepared presentation on the statement of comprehensive income of a sole trader and the data that can be extracted from it to calculate the accounting ratios identified in the specification. 4. Students complete a series of exercises based upon a set of statements of comprehensive income to calculate gross profit, profit for the year, gross profit margin and net profit margin. 5. Students complete a comparative case study of two businesses and their respective statements of comprehensive income. Students are required to calculate relevant ratios to evaluate their respective performance and identify any actions that could be taken to improve their financial performance. (Note: This could be linked to SMART targets covered in Section 4.3). 6. Teacher-prepared presentation on the statement of financial position of a sole trader and the data that can be extracted from it including the Return on Capital Employed (ROCE); draw out the importance of liquidity to a business and the influence of inventory on an enterprise's liquidity level. 7. Students complete a comparative case study of two businesses and their statements of financial position. Students are required to evaluate their respective financial positions and calculate the Return on Capital Employed (ROCE). 8. Topic review – teacher presentations which draws together the main elements of each section in Topic 3, showing their inter-relationship and identifying the key learning points. 	<p>Students continue adding to their on-going glossary of recording key business terms with definitions.</p> <p>Basic business calculations to determine financial performance.</p> <p>Comparative analysis of financial data contained within the financial statements of a sole trader.</p> <p>Evaluation of financial performance drawn from an analysis of financial statements.</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Update glossary of terms. • Practice calculations of accounting ratios. • Complete open-ended exam-type questions. • Revise for full-mock examination.
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		<ol style="list-style-type: none">9. Teacher provides exemplar material of how to approach examination questions based upon Topic 3.10. Students complete a full mock examination followed by a teacher de-briefing session to highlight good practice and any gaps in knowledge.11. Students complete individual Examination Revision Plans and associated targets.	
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3

Assessment

Assessment summary

LCCI are practical, vocational qualifications that equip learners with the skills and knowledge needed to enter and thrive in the workplace. The new assessments have been designed to include real-life contextualised scenarios that learners can apply in their careers. Our assessments are externally marked by Pearson to safeguard confidence and ensure that standards are comparable.

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"> Externally assessed. 	100% of the total qualification
Overview of content <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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. There will be four questions. Students should answer all questions. Questions comprise of multiple-choice, short open-response and extended open-response questions and calculations. 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. A non-scientific calculator may be used. 	

Within the examination, candidates will be required to answer **ALL** of the questions in the paper. For this paper, there are **four** questions at Level 3 which the students are required to answer. Each paper includes a variety of question types, which will be discussed later in the section.

Details regarding the assessment opportunities and the examination dates available for this qualification can be found on the Pearson website.

Assessment objectives

What are assessment objectives? They describe the types of thinking skills required of learners when answering the questions in the examinations.

There are **five** assessment objectives for this qualification

Assessment objectives	Definition	% of qualification
AO1 Memorise	Recall facts and terminology of the internal and external business environment.	30
AO2 Demonstrate understanding	Demonstrate understanding of how enterprise operates, its structure and culture, and the impact of stakeholders and globalisation.	40
AO3 Perform procedures	Carry out calculations of break-even, cash flow, accounting ratios, and interpret business performance data.	10
AO4 Analyse information	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
AO5 Making connections	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
	Total	100

Performance Descriptors

Pearson award candidates at three different grades: pass, merit and distinction. When making judgements on grade boundaries, Pearson create and use performance descriptors. These are used to identify what we expect learners to be able to achieve at a particular level of ability.

Pearson only publish the pass and distinction descriptors to outline the upper and lower end of grade ability. These can be found at the end of each specification and have also been provided for you below for this qualification:

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>
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>

Command words

There are several key words that will be used consistently by Pearson in the assessments. These are typically called **command words** and are used to signal to learners how to structure their responses and ensure they are rewarded for demonstrating the necessary skills required in the question.

Each question will only have **one** command word. These are the command words that may appear in the examination. Please note that the list below will not be used in every paper/session and is for guidance only. This same list can also be found at the back of each specification.

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. For example, 'Analyse the...'
Calculate	Determine the amount or number mathematically. For example, 'Calculate the...'
Complete	Include all the information that is needed for the integrity of a subject. 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. Use of this verb normally requires breadth of content coverage. Evidence will normally be written but could be through presentation or, less frequently, performance or practice. 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. For example, 'Evaluate the...'
Explain	Show clear details and give reasons and/or evidence to support an opinion, view or argument. 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. For example, 'Explain one...'
State	Express something definitely or clearly. For example, 'State two...'
Which	Specify one or more items from a definite set. For example, 'Which one of these...?'

Item types

In addition to the command words, the examination papers also include a variety of different item types. Each type may be recognisable by the number of marks that the question is worth and the command word that may be used. There are **four** different **item types** used in the assessments across the LCCI Marketing and Business qualifications, which are outlined below:

1. Closed response

These types of questions are where learners must select from a range of options. They are closed because the range of options presented to the learners are limited. Examples of these questions are multiple-choice (MCQ) or multiple-response (MRQ) question types. MCQs are worth 1 mark and MRQs 2 marks.

Command words: Which, What, When, Why, How

2. Short open response

These types of questions are where learners are expected to provide a short response in a few words or a short sentence. The learner is likely to be recalling knowledge or identifying something that has been presented to them in the stimulus of the question. Each question is likely to be worth 1-3 marks.

Command words: Define, Give, Identify, Name, State

3. Medium open response

For these question types, learners are expected to present more than one linked point or expand on their idea in some way. These types of questions are likely to be worth 2-6 marks.

Command words: Describe, Explain, Complete, What is meant by

4. Extended open response

These question types are the hardest and are worth the most marks. Here learners are required to engage with stimulus material (such as a contextualised scenario), to develop a complex response that could be approached in multiple ways. Each question is worth 6 or more marks. These types of questions are marked differently from the other item types and use a levels-based mark scheme (LBMS), which is discussed in further detail below.

Command words: Analyse, Assess, Create, Discuss, Develop, Evaluate, Prepare, Report, Proofread, Sense check, Draw

PLEASE NOTE: Not all of the above command words for each item type are applicable for all qualifications. The exact command words used in each qualification are detailed in the specification.

Mark schemes

There are two types of mark schemes allocated to different types of questions in the examination:

1. Points-based mark scheme

All closed, short open response and medium open response questions will be marked using a points-based mark scheme. These types of questions are marked using allocated marks for a specific number of points.

2. Levels-based mark scheme (LBMS)

Extended open response questions are marked using a levels-based mark scheme, which consists of two parts: indicative content and levels-based descriptors.

The indicative content reflects specific content-related points a learner might make to answer the question. The level-based descriptors articulate the skills learners are likely to demonstrate when answering the question. The levels represent the progression of these skills.

When marking these questions, the examiner will evaluate the candidates' response based on the indicative content for that specific question and apply the descriptor, to identify the number of marks that should apply. When using a levels-based mark scheme, the 'best fit' approach should be used.

Model answers

The following model answers relate to the questions in the **Sample Assessment Material** for the Pearson LCCI Level 3 Certificate in Business Principles and Enterprise, which can be accessed via the Pearson website.

(i) Multiple choice question (Question 2(a) in the Sample Assessment Material)

Which **one** of these is a feature of a risk analysis in a business plan? **(1 mark)**

- A Identifying competitors
- B Quality circles
- C Offering benefits
- D Profit sharing

The correct answer is A – Identifying competitors

Students will have covered risk analysis in Section 2 of the specification and would have specifically covered **risk analysis** in subsection 2.1, which identifies the components of an enterprise start-up plan.

(ii) Factual response question (Question 1(c) in the Sample Assessment Material)

State **two** characteristics of a public limited company (plc). **(2 marks)**

Answer: Any **two** of the following characteristics:

- Publishes accounts
- Issues shares
- Shares bought and sold on the stock exchange
- Has a board of directors
- Has limited liability

Students will have covered types of enterprises in Section 1.1 of the specification, where they would have studied the different types of business enterprises. In these types of questions, the students are only required to state the answer and no explanation is required, therefore in this question they are not required to define the concept of limited liability.

(iii) Two-mark open-ended questions (Question 2(e) in the Sample Assessment Material)

Explain **one** advantage of just in time (JIT) inventory management to an enterprise. **(2 marks)**

Sample student response:

In a JIT system, goods are stocked to meet customer demand (1), which means that less working capital is tied up in inventory (stock) (1)

Commentary on student response:

This is a good answer because it makes **two linked points** – firstly one of the features of JIT inventory management is identified and secondly the link is made with the indirect costs of inventory management. Implicit in this response is the need for the business to operate efficiently thereby saving costs.

(iv) Four-mark open-ended questions (Question 1(g) in the Sample Assessment Material)

Explain **two** features of a competitive market. **(4 marks)**

Sample student response:

1. A competitive market has many producers/sellers which means that no producer/seller can dictate how the market operates
2. In a competitive market, producers/sellers offer similar products so the consumers can easily switch from one producer/seller to another

Commentary on student response:

This is a good response because the student has identified **two features** and linked together **two linked points** for each of the features thereby exhibiting:

- An understanding of the features of a competitive market
- The implications of this feature in a competitive market

(v) Calculate or complete questions (Question 2(f) in the Sample Assessment Material)

Brollies4U makes and sells a range of umbrellas.

Extract of monthly financial information for Brollies4U	
Rent per month	\$2 300
Salaries per month	\$6 100
Variable costs per umbrella	\$12
Selling price per umbrella	\$28

Calculate the number of umbrellas that **Brollies4U** would need to sell to reach the break-even point. You are advised to show your workings.

Sample student response:

$$\text{Break-even point formula} = \frac{\text{Fixed costs}}{\text{Selling price} - \text{variable costs per unit}}$$

$$\text{Fixed costs} = \$2,300 + \$6,100 = \$8,400$$

$$\begin{aligned}\text{Therefore, break-even point} &= \frac{\$8,400}{\$28-\$12} \\ &= \frac{\$8,400}{\$16} \\ &= 525 \text{ umbrellas}\end{aligned}$$

Commentary on student response:

This is a good response because the student:

- knows the formula for the break-even point
- is able to identify fixed costs
- has correctly extracted data from a given data set into a formula
- has correctly performed a procedure to calculate the break-even point.

It is important for students to include their workings because they may be credited with marks even if their final answer is incorrect.

(vi) Extended open response questions (Question 3(i) in the Sample Assessment Material)

Charley owns a small hairdressing salon located near a housing development.

A competitor has bought a nearby property, and aims to open a large hairdressing salon.

Charley is considering two options to attract and retain customers:

- reducing prices/offering discounts
- finding a cheaper supplier for products.

Evaluate which option would be the most appropriate for Charley to use to attract and retain customers. **(6 marks)**

Sample student response:

Two of the most important influences on customer behaviour are price and quality. Customers are attracted to lower prices/discounts because they represent value for money. The cost of supplies can impact upon prices charged in the hairdressing salon because cheaper supplies may result in lower costs for the business, which can then be passed on to the consumer in the form of lower prices.

Therefore, there is a link between lower costs, prices, customer demand and business revenue.

However, one important factor missing from this analysis is the role that quality plays in influencing customer behaviour. For example, customers may associate lower prices/discounts with poor customer service or untrained employees, whilst cheaper supplies may be inferior to those currently in use in the salon, which could impact upon the quality of the products used or sold in the salon. Alternatively, if existing supplies are bought in bulk to secure discounts, this may impact upon cash flow.

Although customers may be initially attracted to lower prices/discounts over a longer period of time they may not be retained, choosing instead to use Charley's business rivals even if these competitors charge higher prices.

Therefore, whatever option Charley chooses, it must not impact on the quality of service or products offered to customers, since any short-term gains could be offset in the future by fewer customers and reduced revenue.

Commentary on student response:

This is a good response because the student has identified a clear link between a number of relevant factors analysing their relation to each other and how they impact upon customer behaviour. The conclusion is sound because it differentiates between the short-term benefits and the potential problems which may arise in the long-term.

Constructing a mock examination paper

It is recommended that the students gain experience of answering the type of questions they will be required to answer in the examination.

In constructing mock examination questions, teachers are strongly advised to refer to the Sample Assessment Material for this examination which provides examples of the types of questions and the format of the paper, all of which have been covered in the first part of this Guide. The mock paper should resemble the SAM to include the following:

- (i) the same number of MCQs
- (ii) ensuring the paper reflects the range of AOs
- (iii) ensuring even coverage of specification topics
- (iv) ensuring even spread of different question types and marks per section

Students should be briefed on:

- (i) The types of questions which will appear in the examination
- (ii) How they should approach each type of question used in the examination e.g. the idea of linking together key points in their responses

(iii) The level of detail expected in each type of examination question

The following questions are examples of the types of questions which could be included in a mock examination paper.

1. Multiple-choice questions

These questions will test the students' ability to **memorise and recall facts** from a given set of options.

- Which one of the following is a feature identified in the Ansoff Matrix? **(1 mark)**

- A Market research
- B Market development
- C Market price
- D Market demand

Answer: B – Market development

2. 'State' questions

These questions require students to recall a **stated number of facts**. In most instances there will be more than one correct answer but students need to identify the number of points stated in the question.

State **two** sources of finance for a new enterprise start-up. **(2 marks)**

Answer:

1. Trade credit
2. Bank loan

(Note: Other responses would also be acceptable e.g. owner's capital; bank overdraft, leasing, hire purchase, crowdfunding, peer to peer lending).

3. 'Explain' questions

These questions require students to link points together.

- Explain **one** feature of an ordinary share. **(2 marks)**

Answer: Ordinary shares are issued by public limited companies in order to raise business finance **(1)**; shareholders become part owners of the company and may receive a share of the profits in the form of dividend payments **(1)**

4. Extended open-response questions

These types of questions are based upon a short business scenario, usually between 60-100 words. The scenario is based upon a specific business or context and the questions require the students to apply their knowledge and understanding of business fundamentals to identify how a business may respond to a particular business issue, to suggest alternatives or to identify the impact on the business of a particular course of action. The questions associated with these types of questions will require the students to *Analyse or Evaluate* different aspects of the points or issues identified in the scenario.

'Analyse' and 'Evaluate' questions are allocated the highest marks in the examination paper.

'Analyse' questions require the students to consider

- *different aspects of a topic related to a specific context*
- *how these aspects link together*
- *the implications for a business*
- *their relative importance to give a balanced point of view.*

'Evaluate' questions on the other hand require the students to come to a *reasoned judgement from their own assessment of a set of alternatives*. This will usually involve the students being able to identify the advantages or disadvantages of alternatives/ options or their benefits and drawbacks before drawing their own judgement.

The following open-ended response questions have been annotated to show how the guidance on devising open-ended response questions can be applied.

Example 1: Analyse question

The scenario should be based on a specific business. In this case it is a new enterprise start-up (a restaurant)

Include an additional piece of information that can be used when answering the question. In this case the owner plans to take out a bank loan

Vijay plans to use his savings to open a restaurant in the town centre. In addition to his savings he will also require a bank loan which will be used to purchase kitchen equipment.

1. Analyse two types of business risks that could impact on Vijay's business. (6 marks)

Commentary: Since this question requires the students to *analyse* business risks, the approach they should take could follow the following framework:

1. **How different aspects of a topic related to a specific context** – the identification of two types of business risks (this could be financial, legal or reputational).
2. **How these aspects link together** – provide examples of each type of business risk for example, poor customer reviews (reputational); lack of proper hygiene in the kitchen (legal); lack of customers (financial).
3. **The implications for a business** – all business risks will directly or indirectly impact upon the performance of the business and will have financial consequences. For example, poor customer reviews (reputational risk) could result in fewer customers, a reduction in revenue and the inability to pay the interest on the bank loan (financial), which in the long-run could result in the closure of the business.
4. **Their relative importance to give a balanced point of view** – the business must ensure that its legal obligations are met (for example food hygiene), since this can result in legal action and possible closure of the business (legal); high levels of customer service will generate positive reviews (reputational), which would result in more customers and increased revenue (financial).

Example 2: Evaluate question

The scenario should be based on a specific business. In this case it is an existing business seeking finance for business expansion

Since this is an 'evaluate' question, the scenario should be based upon a situation in which the business is looking at different ways or options to address a specific business issue. In this case it is the options available to obtain computing equipment

Sheena owns a successful computer repair shop. She plans to open another shop in a nearby town but will require additional business finance to purchase computing equipment for the new shop.

Sheena is considering two finance options that could be used to obtain the computing equipment:

1. Leasing the computers
2. Purchasing the computers using hire purchase

1. Evaluate which option would be the most appropriate to obtain the computing equipment. **(6 marks)**

Commentary: Since this question requires the students to *evaluate* finance options, the approach they should take could follow the following framework:

1. **An overview of the options under consideration** – leasing is essentially renting the equipment, whilst hire purchase results in the business owning the equipment at the end of the agreement.
2. **The advantages and disadvantages of the options under consideration** – for example, leasing allows the business to update equipment at the end of the leasing contract but the business does not own the equipment; hire purchase means that the business will own the equipment but it may become out-of-date and need to be replaced.
3. **The evaluation** – based upon the advantages of each option, the student should form a reasoned judgement of the most suitable option to choose that would be appropriate in the circumstances described in the scenario. In this case, since business finance is required to purchase computing equipment which can easily become outdated, leasing could be the most appropriate form of business finance.

4

Resources

Support resources

New materials are being developed to support the delivery and understanding of the new LCCI qualifications.

As well as this Teacher Guide, a free digital **coursebook** is also provided to guide both teachers and students through the content in the specification and provide information on each topic area, examination tips, short case studies and practice questions to test learners' knowledge.

For centres and teachers, Pearson offers **training** to teachers on standard of delivery and preparing students to meet the assessment requirements. We offer different types of training:

- Face-to-face implementation and launch events to help centres to understand the qualifications and share best practice to deliver the qualifications effectively, and
- Feedback events to help centres gain feedback on past examination papers to understand specific areas of the exams where candidates have difficulties with, to enable teachers to tailor their delivery to meet student needs and requirements.

Supplementary resource suggestions

The following **Pearson textbooks** are referenced in the table below:

BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)

Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)

BTEC First Business (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)

BTEC First Award (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)

Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Workbook (Carysforth, Neild) Pearson (2014)

Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Guide (Carysforth, Neild) Pearson (2014)

BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook (Bunn, Parry, Smith, Donaldson) Pearson (2017)

The following **specialist websites** are useful sources of information on all of the topics covered in the specification as well as providing teacher notes, presentations and student activities:

<https://www.tutor2u.net>

<https://www.businessballs.com>

<https://www.bbc.com/education/subjects/zpsvr82>

Short video clips of business activities covered in the specification can be found by researching YouTube. <https://www.youtube.com>
For example, https://www.youtube.com/watch?v=h_loL8lCgww is a short video (8 minutes), which explains the relationship between business objectives and the different stakeholder classifications.

Specification	Pearson textbook	Reference
Topic 1: The internal and external business environment		
1.1 Types of enterprise	BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016) BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook (Bunn, Parry, Smith, Donaldson) Pearson (2017)	Unit 1: A. <i>Explore the features of different businesses and analyse what makes them successful</i> pp4-8 Section 1 <i>The Business Enterprise Environment</i> , pp4-10
https://www.youtube.com/watch?v=Dg3zWAhXrkg Types of business organisations https://www.youtube.com/watch?v=2iKaVET6Ccw Types of business organisations		
1.2 The business environment and the enterprise	BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 1: A. <i>Explore the features of different businesses and analyse what makes them successful</i> pp8-11 Unit 1D: <i>Examining Different markets</i> p44 Unit 7: <i>Business ideas</i> p126
https://www.youtube.com/watch?v=yhtGs4cjj8Q Competition in business https://www.youtube.com/watch?v=ukURiv-5kec How to deal with business competition		

1.3 Stakeholders	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>BTEC First Business (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)</p> <p>BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook (Bunn, Parry, Smith, Donaldson) Pearson (2017)</p>	<p>Unit 1: A. <i>Explore the features of different businesses and analyse what makes them successful</i> pp12-18</p> <p>Topic C.3 <i>Business model</i> p32</p> <p>Section A.3 <i>Stakeholders and their influence</i> pp14-16</p>
<p>https://www.bbc.com/bitesize/guides/z4gcd2p/revision/1 Stakeholders</p>		
1.4 The impact of globalisation on the business environment	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>BTEC First Award (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)</p>	<p>Unit 1: A. <i>Explore the features of different businesses and analyse what makes them successful</i> pp9-10</p> <p>Topic 8.2 <i>The relationship between UK retailers and international markets</i> p164</p>
<p>https://www.youtube.com/watch?v=JJ0nFD19eT8&t=143s Disadvantages of globalisation</p> <p>https://www.youtube.com/watch?v=i-eHj6bVU8w Advantages and disadvantages of globalisation</p> <p>https://www.youtube.com/watch?v=OGg9K1wymWk Characteristics of multinational corporations</p> <p>https://www.tutor2u.net/business/reference/impact-of-multinational-companies-mnacs-on-their-host-countries Impact of MNCs on host countries</p>		
1.5 Business structure and culture	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p>	<p>Unit 1 B: <i>Investigate how businesses are organised</i> pp22-26</p> <p>Unit 7: <i>Purpose and structure</i> p127</p>
<p>https://www.youtube.com/watch?v=4cBN8xH-5Qw What is organisational culture?</p> <p>https://www.youtube.com/watch?v=wO_-MtWejRM What is organisational structure?</p> <p>https://www.managementstudyhq.com/types-of-organizational-structures.html Common types of organisational structures</p>		

Specification	Pearson textbook	Reference
Topic 2: Business planning for small and established enterprises		
2.1 The purpose and components of planning	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook (Bunn, Parry, Smith, Donaldson) Pearson (2017)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p>	<p>Unit 1 E: <i>Investigate the role and contribution of innovation and enterprise to business success</i> pp50-55</p> <p>Unit 4 C: <i>Develop a detailed plan for a business or social enterprise event</i> pp215-224</p> <p>Unit 4 A: <i>Prepare a business plan for the new enterprise idea</i> pp118-130</p> <p>Unit 7: <i>Human resources</i> p146</p> <p>Unit 7: <i>Physical resources</i> p145</p> <p>Unit 7: <i>Purchasing decisions</i> p146</p>
<p>https://www.youtube.com/watch?v=sUn9DogKUzE Why businesses plan</p>		
2.2 Market research and market analysis	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p>	<p>Unit 2: <i>Market research methods</i> pp71-77</p> <p>Unit 2: <i>Product life cycle</i> p80</p> <p>Unit 2: <i>The marketing mix and the extended marketing mix</i> pp89-98</p> <p>Unit 1 C: <i>Porter's Five Forces</i> p43</p> <p>Unit 2: <i>Identifying what customers want</i> p9</p> <p>Unit 2: <i>Primary research</i> p10</p> <p>Unit 2: <i>Product life cycle</i> p17</p> <p>Unit 2: <i>Marketing mix</i> p21</p> <p>Unit 2: <i>Extended marketing mix</i> p27</p>
<p>https://www.youtube.com/watch?v=1Fja06iCIE0 Why market research is important</p>		
2.3 Human resource planning	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p>	<p>Unit 8 A: <i>Examine how effective recruitment and selection contribute to business success</i> pp250-255</p> <p>Unit 6: <i>Human resource planning 1-4</i> pp100-104</p> <p>Unit 6: <i>Maslow</i> p105</p> <p>Unit 6: <i>Motivating employees</i> p106</p>

http://www.businessmanagementideas.com/personnel-management/compensation/top-5-methods-of-remunerating-labour/6284 Methods of remunerating labour		
2.4 Financial planning	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p> <p>Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Workbook (Carysforth, Neild) Pearson (2014)</p> <p>Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Guide (Carysforth, Neild) Pearson (2014)</p> <p>BTEC First Business (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)</p>	<p>Unit 3 D: <i>Select and evaluate different sources of business finance</i> pp145-148</p> <p>Unit 3 E: <i>Break-even and cash flow forecasts</i> pp156-162</p> <p>Unit 3: <i>Internal Finance</i> p63</p> <p>Unit 3: <i>External Finance 1 & 2</i> pp64-65</p> <p>Unit 3: <i>Cash flow forecasts</i> p68</p> <p>Unit 3: <i>Break-even analysis</i> pp70-71</p> <p>Unit 2: <i>Finance for Business</i> pp8-20</p> <p>Unit 2: <i>Finance for Business</i> pp16-32</p> <p>Topic C.1: <i>The use of budgets in business</i> pp362-364</p>
<p>https://www.youtube.com/watch?v=phKTxGxAGpk What is business finance?</p> <p>https://www.youtube.com/watch?v=ZihWEVWCJYk Break-even point easily explained</p> <p>https://www.youtube.com/watch?v=IRxqPDjAFVs Different types of shares (Note only focus on ordinary shares and preference shares)</p> <p>https://www.youtube.com/watch?v=9csx0ImfaT0 Debentures explained</p>		
2.5 Production planning	<p>BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016)</p> <p>Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)</p>	<p><i>Inventory</i>: Various pp142-3;163;177</p> <p>Unit 7: <i>Purchasing decisions</i> p146</p>
<p>https://www.youtube.com/watch?v=cAUXHJBB5CM Just in Time by Toyota: The Smartest Production System in The World</p>		

Specification	Pearson textbook	Reference
Topic 3: Managing business risks and growth		
3.1 Business risks	BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	<i>Risks</i> : Various pp54-55,116,127 <i>Insurance</i> : Various sections pp6,142,403 Unit 1 C: <i>Examine the environment in which businesses operate</i> pp 33-41 Unit 3: <i>Insurance</i> p53
<p>https://www.youtube.com/watch?v=YtL5XSezalM&t=8s Business risks</p> <p>https://www.slideshare.net/TrustedChoice/business-insurance101-slide-share?next_slideshow=1 Business insurance slide presentation (extract relevant slides based upon the content coverage of the specification)</p>		
3.2 Business analysis tools	BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 2 C: <i>Planning and developing a marketing campaign</i> p85-86 <i>Unit 7: Business models 1&2 (note: also covers Porter's Five Forces model)</i> pp129-130
<p>https://www.slideshare.net/vivado/steeple-27811672?next_slideshow=1 STEEPLE presentation</p> <p>https://www.tutor2u.net/business/reference/ansoffs-matrix-revision-presentation Ansoff Matrix presentation</p> <p>https://www.youtube.com/watch?v=rW5SOENyq5g Boston Consulting Group Matrix</p> <p>https://www.youtube.com/watch?v=l_6AVRGLXGA How to perform a SWOT analysis</p>		
3.3 Managing change	Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 6: <i>Managing change</i> p112 Unit 6: <i>Stakeholders and change</i> p113 Unit 7: <i>Trends</i> p138

<https://www.youtube.com/watch?v=QWORfliXxn0>
Higher level presentation on organisational change with some useful reference points

https://www.youtube.com/watch?v=__IYNMdv9E
Change management

Specification	Pearson textbook	Reference
Topic 4: Measuring and improving the performance of the enterprise		
4.1 The purpose of performance measurement	BTEC First Award (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Topics A.9/A.10: <i>Retail targets and performance</i> pp158-159 Unit 2: <i>Suitability of marketing aims and objectives</i> p18
<p>https://www.youtube.com/watch?v=E_M78pBjzDE Measuring business performance</p> <p>https://www.youtube.com/watch?v=R4HPYR5iLw Measuring performance</p>		
4.2 The role of management information	BTEC Level 2 Technical Certificate Business Administration Learner Handbook (Bithell, Downes, Greyner, Jackson) Pearson (2017) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 3 A1-A3 <i>Process business information accurately using data management software</i> pp90-104 Unit 7: <i>Information and decision-making</i> p134 Unit 7: <i>Threats and What if?</i> p157 Unit 7: <i>Making business decisions</i> p161 Unit 7: <i>Contingency Planning</i> p158
<p>https://smallbusiness.chron.com/management-information-system-2104.html The role of management information</p>		
4.3 Quality systems	Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 6 <i>Quality culture</i> p115 Unit 6: <i>Quality Management</i> p116 Unit 6: <i>Benefits of quality management</i> p117
<p>https://www.youtube.com/watch?v=0hzqHwu1i_I Quality systems in business</p>		

4.4 Workforce management and development	Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 6: <i>Management and leadership</i> p91 Unit 6: <i>Business culture</i> p94 Unit 6: <i>Management and leadership styles</i> p95 Unit 6: <i>Training</i> p108
<p>https://www.youtube.com/watch?v=WDN4FBpcaY Maslow's Hierarchy of Needs</p> <p>https://www.youtube.com/watch?v=Ci2fKJOU-ko Developing a Workforce Strategy</p>		
4.5 Financial statements	BTEC National Business Student Book1 (Coupland-Smith, Phillips, Richards, Summerscales) Pearson (2016) Revise BTEC National Revision Guide: Second Edition (Revise BTEC Nationals in Business) (Jakubowski, Sutherland D, Sutherland J) Pearson (2017)	Unit 3F: <i>Complete statements of comprehensive income and financial position and evaluate business performance</i> pp162-175 Unit 3: <i>Statement of Financial Position 1-3</i> pp73-76 and p153-154 Unit 3: <i>Profit margin and ROCE</i> p77 and p151 Unit 3: <i>Liquidity</i> p78
<p>https://www.youtube.com/watch?v=08dKzp1Gdhw Statement of Financial Position</p> <p>https://www.youtube.com/watch?v=or3bOLtAV4s Income Statement (Statement of Comprehensive Income)</p> <p>https://www.tutor2u.net/business/reference/financial-ratios-explained Accounting ratios explained</p>		

A group of people are sitting around a wooden table in a meeting. A woman in the center is looking at a laptop, while others are looking at documents and talking. The setting appears to be a modern office or meeting room with a brick wall and large windows in the background.

**A dedicated guide to support with the teaching of
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