



For Performance Measurement

**ZIMBABWE SCHOOL
EXAMINATIONS COUNCIL
(ZIMSEC)**

ADVANCED LEVEL SYLLABUS

BUSINESS STUDIES 9198

EXAMINATION SYLLABUS FOR 2008-2012

BUSINESS STUDIES

ZGCE Advanced Level 9198

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INTRODUCTION

- 1.1 The aim of this syllabus is to enable Centres to develop Business Studies courses that are suitable for Advanced Level candidates.
- 1.2 The syllabus contains largely the same body of curriculum content as the Management of Business Advanced Level syllabus (9368) and AICE Business Studies syllabus (0128) which previously were examined by UCLES.
- 1.3 Although no previous study of the subject is assumed by the syllabus, it would be recommended that students should have done 'O' Level Business Studies

2 SYLLABUS AIMS

The syllabus is intended to lead to courses that will encourage students to:

- 2.1 Understand and appreciate the nature and scope of business and its role in society;
- 2.2 Develop critical understanding of organisations, the markets they serve and the process of adding value. This should involve consideration of the internal workings and management of organisations and, in particular, the process of decision making in a dynamic environment;
- 2.3 Be aware of the economic, environmental, ethical, governmental, legal, social, technological etc issues associated with business activity;
- 2.4 Develop skills in:
 - decision making and problem solving in the light of evaluation,
 - the quantification and management of information, where appropriate,
 - effective communication,
 - entrepreneurship.

The emphasis should be on the application of concepts and issues to the local context where appropriate.

2 ASSESSMENT OBJECTIVES

Candidates are expected to demonstrate the following skills:

- 3.1 **Knowledge and critical understanding** of the specified content;
- 3.2 **Application** of this knowledge and critical understanding to problems and issues which are from both familiar and unfamiliar situations;
- 3.3 **Analysis** of problems, issues and situations by:
 - distinguishing between statements of fact, statements of value and hypothetical statements,
 - making valid inferences from material presented,
 - examining the implications of a hypothesis,
 - organising ideas,

- making valid generalisations

3.4 **Evaluation** of reliability of material, checking that conclusions drawn are consistent with given information in discriminating between alternative explanations and assessing the role of the main concept and models in business analysis.

3.5 Specification Grid

The marks available for each group of skills are as follows:

Paper		Knowledge	Application	Analysis	Evaluation	Total
Paper 1	Section A	20	20	15	15	70
	Section B	6	6	9	9	30
Paper 2	Section A	8	7	5	5	25
	Section B	16	17	21	21	75
	TOTAL	50	50	50	50	200

4 SCHEME OF ASSESSMENT

PAPER		Type	Duration	Number of Questions	Maximum Mark	Weighting
1:	SECTION A	Structured Short Questions	2 hrs	12	70	50%
	B	Case Study	1 hr	3	30	
2:	SECTION A	Data Response	$\frac{3}{4}$ hrs	1	25	50%
	SECTION B	Essays	$2\frac{1}{4}$	9	75	

Candidates are required to take both papers.

Paper 1 (3 hrs) Candidates are required to answer all questions in Section A and Section B.

Paper 2 (3 hrs) Candidates are expected to answer all questions in Section A and only 3 questions from Section B.

5 CURRICULUM CONTENT

CONTENT

5.1 Business and the Environment

- *The need for and nature of business activity*

Levels of activity: primary, secondary, tertiary - interdependence

Sector: public; private

Legal structure: sole trader; partnership; co-operatives; limited companies (private and public)

- *Business and economic structure*

Free market enterprise, command economy and mixed economy

Nature and scope of international and multinational businesses (include Globalisation)

Privatisation

- *Size and growth of business*

Measurement

Significance of small businesses, problems and solutions (for small businesses)

State intervention to assist and constrain business of different sizes

- *Business strategy*

Objectives and constraints: political, legal, physical, technological, social, environmental, ethical, economic, constraints. Public and private sector business objectives. Conflict of business objectives.

Management by Objectives

Causes of success and failure of businesses in Zimbabwe

- *Stakeholders*

Owners, employees, customers, suppliers, community, government bodies,

- *Corporate culture and strategy*

Organisation behaviour, method of operation

Link between culture and business behaviour

5.2 Managing Human Resources

- *The need for and nature of organisational structure*

Approaches to organisational structures: functional, divisional and matrix structures

Organisational structure: formal and informal organisations

Features of a formal structure: hierarchy, chain of command, span of control, responsibility, authority, delegation

Formal organisation- accountability, centralisation, decentralisation

Line and staff organisation

- *Motivation and Leadership*

The need to motivate. Motivation theories. Financial and non-financial motivation e.g. job design

Motivation theories and their application to Human Resource Management (HRM)

Management by Objectives

Leadership: qualities, styles, effectiveness, roles

Appropriateness of leadership styles, informal leadership

- *Management*

Definitions. Management functions and roles

- *Business Communication*

Purpose and methods of communication

Lines of communication - one/two way; vertical/horizontal; formal and informal networks with examples such as reports, business letters, memoranda, etc.

The effective communications model in a business organisation

Barriers to effective communication

- *Human Resource Management*

Purpose and functions of human resource management

Labour/ management relations: labour legislation, collective bargaining, dispute settlement, promotion of co-operation between management and work-force, need for negotiation

Health and safety in the work-place

Training and development

5.3 Marketing

- *The nature and definition of the market and the role of marketing*

The role of marketing to other business activities and departments within the organisation

Analysing the market: location, size, segmentation, share , competitors, etc

Market segmentation - appropriateness in different circumstances

Research and development in marketing: types of research: primary and secondary, methods of information gathering, sampling methods. Market information: cost effectiveness (treated descriptively)
Forecasting (quantitative and qualitative methods)

Niche versus mass marketing

Demand concepts: determinants of demand, price elasticity of demand, demand elasticities of income, cross elasticity and promotional spending. Evaluation of the elasticity technique.

- *Product Portfolio Planning*

Product development

Value analysis

Classification of products

Boston and Ansoff Matrices

Product life cycle: implications for market strategy. Evaluation of the usefulness of product life cycle.

- *The Marketing Mix*

Product, price, distribution channels (place) and promotion.

The marketing mix within the organisation and in the wider environment

- *Marketing Strategy*

5.4 Operations management

- *Nature of production*

Stages of production

Location: regional and international location decisions

The production process

Local labour market

Capital versus labour intensity

Relation of input to outputs subject to cost and other constraints

Measures of productivity and how to improve productivity

Adding value

- *Organising Production*

Work study

Scale of operation

Production methods

Capacity utilisation

Ways of increasing capacity utilisation

The use of cost information

Approaches to costing: absorption costing, contribution costing (including the solution of numerator problems)

Evaluation of costing approaches

Break -even analysis - graphical method, simple calculation and evaluation of break-even analysis

Stock Management

- *Operational Efficiency*

Scale - economies and diseconomies of scale

Lean production - an evaluation, including the appropriateness of JIT in different circumstances

- *Quality control and assurance*

Methods of quality control

Continuous improvement, training and development, TQM and QA standards, benchmarking

-Production Planning

Network analysis (CPA)

Calculation and application of activity float times.

5.5 Business Finance and Accounting

- *The need for business finance*

Start up capital and expansion of the business

Capital expenditure and revenue expenditure

Understanding the significance of the distinction between revenue and capital expenditure

Working capital- meaning and significance

Control of working capital - stock, debtor and creditor control

- *Sources of finance*

Short and long term sources, both internal and external

Selecting the appropriate sources of finance - the sources of finance to meet particular requirements.

The factors influencing the choice of finance- gearing (linking up with ratio analysis), cost, flexibility, need to retain control, use to which finance is to be put

- *Money and capital market institutions*

Banks: specialist institutions, parallel markets

World Bank and the International Monetary Fund as sources of finance for governments and certain business projects

- *Stock Exchange*

Functions of stock exchange

- *The need for business accounts*

The foundations of accounting

The main users of published company accounts - internal and external

Simple treatment of the main concepts and conventions used when drawing up public accounts - double entry, accruals, money measurement, conservatism, realisation. **No numerical questions will be set on these.**

The distinction between financial and management accounting

- *What the published accounts contain*

Balance Sheets - main asset and liability categories

Profit and Loss Accounts - layout and content of simple versions

The purpose and structure of both balance sheets and profit and loss accounts

Simple amendments of Balance Sheets and Profit and Loss Accounts from given data

Cashflow Statement - description of contents and purpose

Depreciation Provisions- straight -line method, diminishing balance method

Comparison of the two methods

Goodwill

Stock valuation, LIFO, FIFO & AVCO treated descriptively.

- *Analysis of published accounts*

Profitability and liquidity ratios. Calculations from data. Interpretation of results.

Financial efficiency ratios - stock turnover and debtor days, creditor days etc.

Gearing ratio - long term capital divided by capital employed

Financial controls

Investors ratios - dividend yield, dividend cover and price earnings ratio

The limitations of ratio analysis. Trend analysis of ratios and inter-firm comparisons

- *Investment appraisal*

Forecasting cashflows

Quantitative appraisal - payback and average rate of return

Discounted cashflow and internal rate of return

Qualitative factors influencing the final investment decision

- *Managing cashflows*

Purpose of and construction of cashflow forecasts

Ways of improving a business cashflow including debt factoring, leasing, sale and lease back and improved control of working capital. Evaluation of these.

- *Budgets and budgeting*

The purpose of budgets

Interpretation of variances - adverse and favourable but not price/volume analysis

Business Plans

Preparation of simple business plans

5.6 Information for Decision Making

- *Sources and reliability of information*
- *Collection of information*
- *Presentation of information*

Methods for the visual and graphical presentation of information for business: tables, graphs, pie charts, bar charts, pictograms etc

- *Data analysis and evaluation*

Decision trees, time series analysis, network analysis (CPA only), cost benefit analysis, investment appraisal, linear programming – blending technique

Measures of central tendency
Measures of dispersion

Information Technology

6 NOTES FOR GUIDANCE

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
Business and the environment	<p><i>Emphasis should be on the strategic importance of clear objectives.</i></p> <p><i>There should be an awareness of how the business environment provides opportunities and imposes constraints on the pursuit of short-term and long-term objectives.</i></p>
- <i>The need for and nature of business activity</i>	A simple understanding of the nature of economic activity and problem of choice
Level of activity: primary, secondary, tertiary	A classification of economic activity, e.g. primary, secondary and tertiary, with examples drawn from the candidate's own country
Sector: public; private	Public and private sectors of the economy, with examples drawn from the candidate's own country
Legal structure: sole trader; partnership; limited companies (private and public)	<p>Ability to exemplify each of these from local structures and activity, with examples drawn from the candidate's own country</p> <p>The legal structures which should be studied are:</p> <ul style="list-style-type: none"> sole traders partnerships private limited companies public limited companies state owned enterprises cooperatives <p>Main features should be known and main legal elements (no requirement to refer to particular legislation). Among the principles which should be emphasised are:</p> <ul style="list-style-type: none"> divorce between ownership and control which develops as structures get larger and more complex nature of legal personality and limited liability and why they are necessary

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
<i>-Business and economic structure</i>	
Free market enterprise. Other economic systems	A simple awareness of free market economies and alternative economic systems
Nature and scope of international and multi-national business	Importance of both international trading links and multi-national companies by reference to local businesses and their management . Relationship between multi-nationals and the nation state
Privatisation	Reasons for and impact on business objectives and efficiency
- <i>Size and growth of business</i>	Growth e.g methods of growth such as horizontal, lateral, vertical or merger etc. The effects of growth
Measurement	Measuring size of a business, different criteria available, e.g. labour force, capitalisation, output, market share and appropriateness of each to different situations
Significance of small businesses	Advantages and disadvantages of small businesses. Role of the small business both as an independent organisation and as a part of the structure of some industries, e.g. components firms in motor industry, and in engineering generally
State intervention to assist, constrain businesses of different sizes	How the State intervenes to assist or constrain businesses of different sizes, with particular reference to local schemes of assistance and methods of control
- <i>Business strategy</i>	
Objectives and constraints: political, legal, physical, technological, social, environmental, ethical, economic, constraints. Public and private sector business objectives	Objectives are central to the whole process of decision . making. Candidates will be expected to have a knowledge of the hierarchy of objectives, their nature and the level within the organisation responsible for selecting them Survival and profit Growth as the normal objective, but a particular business may have special objectives at particular times, e.g. market penetration with a new product may be more important than immediate profit.

CONTENT**NOTES FOR GUIDANCE****Candidates will be expected to know the following:**

Businesses do not always seek to maximise profits but may operate on the basis of a reasonable return on capital employed

The stages of decision making

Different stages of the cycle are most crucial to different types of decision but each stage is important

Surrounding every decision and hence bound to influence both the way in which it is made, how it can be implemented and its effectiveness, are a number of constraints

Constraints

Political

Objectives of the state, e.g. stability, growth, standard of life etc. and the way in which these may require the State to constrain decisions of others. This can be illustrated from a few simple situations and referred to as appropriate in other stages of the syllabus, e.g. location, employment policy, conditions of work, relationships with other businesses, marketing behaviour. This is closely related to:

Legal

The law intervenes both to support and constrain business activity

Main legal controls/examples of their local application. Particularly relating to: financial structure; employment; conditions of work; association with other firms; location; marketing. In each of these areas candidates will need to know what is done, but there will be no requirement to quote the actual provisions of the law.

Physical/ Technological

Relationship between objectives and resources, need to choose between competing uses of resources

Problems of change and adaptation to technologies

Limitations placed upon activity by local and national environments and consequent need for international trading arrangements.

Constraints arising from reliance upon other businesses, e.g. sources of raw materials, markets for goods

Social/Ethical/Environmental

Businesses work within an environment where there must be consideration for the needs of people in the locality, e.g. pollution by waste material and by noise, and for people in the nation as a whole, e.g. location decisions and decisions about monopolies and mergers. There must also be some products and activities where state control is essential or legal restrictions must be considerable.

Candidates will be expected to have an appreciation of the ethical issues involved in business activity

CONTENT	NOTES FOR GUIDANCE
	Candidates will be expected to know the following:
	Economic
	Macro economic policies of governments and how these may impact on business objectives and strategies, including Fiscal policy, Monetary policy and Exchange rates
Conflict of business objectives	Business objectives are not always of the same degree of importance and may even conflict from time to time hence priorities have to be established. The need for realistic objectives and for their communication to the work-force in a manner in which they can understand and work towards.
	The need to translate objectives into targets and budgets so that they may become effective planning bases
- <i>Stakeholders</i>	
Owners, employees, roles , suppliers, Community Government bodies,	Groups involved in and affected by business activity e.g. their customers rights and responsibilities.
	Conflicting and common aims of stakeholders
	<i>In relation to various business situations students are required to recognise potential conflict between the objectives of different stakeholder interests and suggest and evaluate resolutions to such conflict. Students should be required to recognise the inter-relationship between objectives and an uncertain business environment and to devise and evaluate strategies which aim to anticipate, respond to and manage change.</i>
Business v State	Consideration of the objectives of business as compared with those of the State, and conflicts and common interests which might be expected to develop.
Management by Objectives	Management by Objectives as a means of ensuring and developing a more effective management team.
- <i>Corporate culture and strategy</i>	Definition, development and influence How things are done in an organisation. How corporations develop culture and how it affects decision making. (simple awareness of how culture influences business) Note – culture is dynamic change;
Organisation behaviour, method of operation	
Managing Human Resources	<i>Students are required to understand the significance of various management and organisational structures for a business and its employees. Students should recognise the opportunities and constraints, in relation to people in organisations, created by the business/legal environment, and to appreciate the contributions of selected management theories.</i>
	<i>Students are required to understand the inter-relationships between organisational structure, leadership style and motivation in a business, and to evaluate the implications of these for the effective planning and management of human resources.</i>

CONTENT	NOTES FOR GUIDANCE
	Candidates will be expected to know the following:
<i>The need for and nature Of organisational structure</i>	The relationship between the objectives of the business and its organisational structure. The need to develop a structure which will:
Approaches to organisational structures: functional divisional, matrix structures	<ul style="list-style-type: none"> be flexible meet the needs of the business permit growth and development
Formal organisation	Accountability: not just in monetary terms. How superiors check the work of subordinates. How work and progress is assessed
	Centralisation/decentralisation: the advantages and disadvantages for management, workers and customers
Line and Staff Organisation	Line and staff: what is the distinction between line and staff, with appropriate examples; conflict between line and staff managers.
Organisational structure: formal and informal organisations	Approaches to organisation in larger firms: the advantages and disadvantages of hierarchical organisations matrix structure - advantages and disadvantages
	The way in which organisational structures change with growth. This can be well illustrated by following a one-man business, e.g. a small snack bar, through stages of growth to a large catering business (or any other business line which it is easy to illustrate locally)
Features of a formal structure: hierarchy, chain of command span of control, responsibility, authority, delegation	Features of the formal structures should begin with an organisational chart. Candidates should be able to draw such a chart and comment upon some of its main features, including the following:
	<ul style="list-style-type: none"> Delegation: its meaning and advantages and disadvantages Levels of hierarchy: superiors and subordinates Chain of command Centralisation/decentralisation: what each means with some examples of local activities Span of control: what it means, with some clear examples
- <i>Motivation and leadership</i>	
The need to motivate. theories.	Simple understanding of human needs. Maslow's pyramid of Motivation needs theory may be found helpful in teaching this topic.
	Which needs do people seek to satisfy in the work situation?
	Consideration of why people work, especially for reasons beyond the need for money

CONTENT	NOTES FOR GUIDANCE
	Candidates will be expected to know the following:
Financial and non-financial motivation	<p>Motivation in theory: the works of leading theorists which might include Taylor, Mayo and Herzberg. Other relevant references will be credited.</p> <p>McGregor's Theory X and Theory Y also as a basis for later discussion of leadership</p> <p>Motivation in practice Financial: methods of payment, additional financial rewards Non-financial motivation: training, effective induction; opportunities for promotion, development, status, job re-design; empowerment; job enrichment participation and team working etc. Participation and team working Delegation: conflicts that might arise between control and trust: impact on motivation. The difference between authority and responsibility</p> <p>Chain of command: problems associated with chain of command which is too long/too short</p> <p>Span of control: relationship between levels of hierarchy and span of control</p>
Motivation Theories and their application to HRM (Human Resource Management)	Discussion of the appropriateness of motivation theories and in different circumstances
Leadership: qualities, styles, effectiveness, roles	<p>The purpose of leadership and attitudes to it</p> <p>The qualities of a good leader Leadership styles: autocratic, democratic, laissez-faire etc Most important leadership roles in business, e.g. supervisors; managers, directors, worker- representatives</p> <p>The distinction between leadership and management</p>
Appropriateness of leadership styles, informal leadership	<p>The appropriateness of different leadership styles in different circumstances</p> <p>Informal leadership and its role in a business</p>
<i>- Management</i>	
Definitions Management functions	<p>The main functions of management</p> <p>Managers as leaders: delegation; chairmanship; recruitment; negotiation; discipline; communication etc.</p> <p>Development of management theory and practice in outline</p>

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
- <i>Business Communication</i>	
Purpose of communication	Purpose of communication, i.e. to ensure the desired response. Simple examples to show this.
Barriers to effective communication	Barriers to effective communication, attitudes, perceptions, noise, inappropriate media etc
Methods of communication	<p>Communication methods: all the standard methods considered: interpersonal, general, and within groups</p> <p>Methods to be considered from the point of view of the strengths and weaknesses of each one, their relative appropriateness in different circumstances and for different people.</p>
Lines of communication- one or two way; vertical/ horizontal; formal and informal networks	<p>The appropriateness of communication methods and communication nets to different business circumstances.</p> <p>Communication within a formal organisation. One- and two- way communication. Problems of communicating upwards; vertical and horizontal communication. What happens when channels of communication are blocked or inefficient?. The development of informal channels of communication and the effect this may have on efficiency and the people involved.</p> <p>Role of management in facilitating communication.</p>
- <i>Human Resource Management</i>	
Purpose and functions of human resource management	<p>In considering this section, emphasis should be placed upon local conditions and procedures, and what is sought is an understanding of the main features of the 'HRM' function in a business rather than detailed knowledge of terminology or specific working practices</p> <p>Purpose- definition of the function</p> <p>Role- human resource planning; recruitment, selection, training, induction, advisory role, guidance roles, job evaluation, remuneration and performance appraisal</p> <p>Organisation- the objectives of human resource management and the organisation it needs to achieve these</p> <p>Human Resources Planning- determining the demand for personnel; discovering the supply; job descriptions and job advertisement. Employment, contracts of employment, discipline, employee welfare, redundancy and dismissal, morale. Use case studies and make reference to current issues.</p>
Labour/management relations	Labour legislation, collective bargaining, dispute settlement, promotion of co-operation between management and work-force, need for negotiation

CONTENT	NOTES FOR GUIDANCE
Candidates will be expected to know the following:	
Job evaluation	The necessity for job evaluation and its link with payments, responsibilities, and recruitment. Work study and activity sampling both treated descriptively as methods of job evaluation.
Health and safety in the work place	Health and Safety: what the law says and some consideration of the workplace problems of health and safety faced on the shop floor. Role of personnel department with relation to this, particularly training, education, provision of facilities, dealing with problems.
Training	Training: an evaluation of different training methods and the importance of training in establishing a flexible work-force.
Development	Simple awareness of the distinction between training and development
Marketing	<p><i>Study should focus on the processes of finding and satisfying customers with an emphasis on marketing objectives, strategy and tactics</i></p> <p><i>Students should be able to analyse and evaluate the potential of different marketing strategies, tactics and techniques for enabling businesses to identify and adapt to changing market opportunities and achieve their objectives.</i></p>
- <i>The nature and definition of the market and the role of marketing</i>	<p>The nature and definition of the market and particular markets. Understanding of a market as a process rather than as a place. The role of marketing and the need for most firms in the modern world to be market-oriented.</p>
Breath of marketing activity and its relationship with other business activities	Marketing and its inter-relationship with other business activities e.g. production
Analysing the market: location, size, segmentation, market share, competitors, etc.	<p>Analysing the market for a product. Whilst this can be taught in general theoretical terms, it is best taught with reference to specific local and national products and the way their markets were discovered and developed</p> <p><i>Location of market and its nature</i> e.g. consumer/producers; national/regional; international</p> <p><i>Size of market</i> The importance of growth, decline, technological change, fashion, cultural and demographic factors</p> <p><i>Segments</i> Meaning of market segmentation. How markets can be segmented e.g. by region, age, income, occupation, ethnic or other characteristics of the customer, etc.</p>

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
	<p><i>Competitors</i> The significance of competition within markets</p> <p>A discussion of the appropriateness of market segmentation in different circumstances</p>
Niche v Mass Marketing	Business benefits and limitations of niche v mass marketing
Market information: cost effectiveness (treated descriptively)	Issues of cost, effectiveness and reliability in data collection
<i>Market research and market information</i>	
Market research and primary and secondary research, methods of information gathering, sampling methods	Primary and secondary research to discover the market. Methods of information- gathering including questionnaires, interviews and consumer panels. Methods of sampling and the appropriateness of each to different circumstances (random, stratified and quota sampling only). Sample size.
Forecasting (quantitative, qualitative and time series analysis)	Need for forecasting in order to plan. The information upon which forecasting can be based. Quantitative and qualitative methods of forecasting. Simple moving average calculations to establish trends. (This does not require a knowledge of seasonal adjustment. Simply the ability to project a time series graph forward and to justify the prediction made).
Demand concepts: determinants of demand; price elasticity of demand	Determinants of demand. This should include an ability to produce local examples of products for which considerations are more appropriate than others, e.g. the special markets created by young people and the elderly. Price elasticity of demand. Simple calculations and interpretation of results.
Demand elasticities of income, cross elasticity and promotional spending	Elasticity of demand (income, cross and promotional spending) calculation and interpretation of results. Significance of demand elasticities to marketing decisions.
Evaluation of elasticity technique	Evaluation of the usefulness of elasticity concept
- <i>Product portfolio planning</i>	
Product development	The development of a product from original concept. Sources of new product ideas. The importance of research and development
Classification of products	Consumer goods; producer goods

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
Product life cycle: implications for market strategy; research and development	<p>Product life cycle; what it is and implications of a known cycle for market strategy. How and why product life cycle vary.</p> <p>Product positioning, target market, marketing mix i.e. 4Ps (Integrated mix); Research and Development</p> <p>Candidates should understand this concept, the stages of a typical cycle, why cycles vary from one product to another. They should be able to draw a likely life cycle for a particular product and explain the relative importance of each stage. They should be able to make reasoned judgements of likely action at a given stage of a life cycle</p>
Value analysis	<p>Marketing Audit (Internal and External)</p> <p>Value analysis - an appreciation of its usefulness in product development</p>
Boston Matrix Ansoff matrix	Product portfolio analysis - evaluation of the usefulness of the Boston Matrix and Ansoff Matrix
Evaluation of the usefulness of product life cycle	Evaluation of the usefulness of product life cycle concept to functional managers
- <i>The Marketing Mix</i>	
Product, price, distribution channels (place) and promotion	<p><i>Features, strategy, packaging, branding etc.</i> <i>Promotion</i> above and below the line, including advertising media and agencies. How promotional budgets might be determined.</p> <p><i>Pricing decisions</i> The influence of costs, competition, demand, market conditions, business objectives</p> <p>Candidates should be aware of alternative pricing strategies and to able to argue a likely strategy in a given situation competitive pricing penetration price strategy skimming price strategy price discrimination</p>

CONTENT**NOTES FOR GUIDANCE****Candidates will be expected to know the following:**

	<p><i>Distribution</i> Channels of distribution available to a business. How the choice is made considering:</p> <ul style="list-style-type: none"> products costs involved nature of markets and their location present distribution methods of the firm methods adopted by competitors segments of the market sought
Marketing Mix within the organisation and in the wider environment	<p>Evaluation of a marketing plan in relation to objectives and the wider environment, e.g. competitors and the economy and the need for a co-ordinated marketing mix.</p> <p>Candidates are expected to gain an understanding of marketing in an integrated context within the organisation and the wider environment. The ability to consider the marketing mix of businesses in given situations and given budgets and to evaluate these in the light of business objectives will also be required.</p>
Marketing strategy	Product positioning, target market, marketing mix (4Ps), co-ordinated mix is what is required. Distinction between marketing strategy and plan.
Operations Management	<p><i>Study should focus on the way organisations use inputs and manage business processes efficiently and effectively to satisfy customers</i></p> <p><i>Students should analyse and evaluate the use of different operations and management tools to enhance decision-making in order to improve efficiency and quality</i></p>
<i>Nature of production</i>	This topic should be closely linked with marketing and is best taught at the same time since many of the issues overlap
Stages of production	Primary, secondary and tertiary.
Relation of inputs to outputs subject to costs and other constraints, adding value	Conversion of inputs to outputs and the concept of 'added value'. Appreciation that all activity which adds value to a product, or promotes its availability to the consumer, is production. Measures of productivity and how to increase productivity.
Local labour market	<i>What shall be produced?</i> Consumer research; consideration of the resources available and what alternative uses they may have (opportunity cost); the need for flexibility and innovation in a rapidly changing world.

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
	<p><i>The costs of production</i> Classification of costs - the economists' view: Fixed; Variable; Marginal - the producers' view: Direct and Indirect</p> <p>Candidates should be able to exemplify and define these, as well as to appreciate some of the problems associated with allocating costs in these ways</p>
Location; regional and international location decisions	<p>Location - factors which determine location e.g. (a) nearness to raw material , infrastructure and (b) Relocation e.g. drying market exhausted raw material. Which factors are most important in given circumstances. The influence of the state and other constraining influences upon this decision.</p>
- <i>Organising production</i>	
Work study and the production process	<p>An understanding of how work study might be implemented and the usefulness of the results of work study with particular reference to effect on productivity and workforce motivation</p> <p>The processes of production from research and development through to the final product. Link up here with value analysis considered earlier and with work study</p>
Capital vs labour intensity	<p>An understanding of the benefits and limitations of capital intensive and labour intensive production processes. An ability to justify the appropriateness of each method in a given situation</p>
Production methods	<p>Job, batch and flow</p> <p>An evaluation of the appropriateness of job, batch and flow methods in different situations</p> <p>Methods of allocating overheads</p>
Scale of operation	<p>Discuss and justify how a business might decide to organise its productive function in a given situation; Kaizen - continuous improvement</p>

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
Capacity utilisation	Capacity utilisation - meaning and measurement
Ways of increasing capacity utilisation	e.g. rationalisation; sub contracting
The use of cost information	<p>The need for accurate cost data:</p> <ul style="list-style-type: none"> Pricing decisions Calculating profits Determining resource requirements at different levels of output Payment to factors, particularly productivity agreements or bonuses Controlling business activity
<p>Approaches to costing: absorption costing, contribution costing (including the solution of numerate problems) Evaluation of costing approaches</p>	<p><i>Absorption costing</i> : Nature of this technique involving allocation of all costs to units of output. Circumstances in which appropriate</p> <p><i>Contribution costing</i>: Nature of this technique based only variable costs of production. Consideration of situations for which this costing approach is suitable. Understanding of limitations of this approach and situations in which it would not be used. Simple calculations involving accept or reject order decisions.</p>
Break even analysis – graphical Method and simple calculations	<p><i>Break even analysis</i> Using cost and revenue data to determine the minimum level of production necessary to break even in given circumstances and the probable profit thereafter. Using this knowledge to solve simple problems. Limitations of break-even analysis.</p>
Stock management	<p>Role and purpose of stock within businesses. Costs and benefits of holding stock and the need to control stock levels. Appreciation of the essential problem of minimising the stock holding costs whilst reducing the chance of a 'stock out' decision. Descriptive treatment of the main methods of stock control including JIT and of the factors which a firm will take into account when determining the level of stock held</p>

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
- <i>Operational efficiency</i>	
Scale - economies and diseconomies of scale	<i>Appropriate methods of production and the scale of operations.</i> Economies to be gained/diseconomies suffered as a result of large-scale production; whether or not new technology should be implemented and the best way of effecting this; labour intensity; capital intensity
Lean production	An evaluation, including the appropriateness of JIT in different circumstances
- <i>Quality control and assurance</i>	What quality control is, i.e. determining a level of quality and working to those standards. Methods of Quality Control, e.g. inspection, testing, random sampling, involving the work-force in making their own decisions about this. Quality assurance standards.
Methods of quality control	
Continuous improvement, training and development. TQM and QA Standards, Benchmarking	Total Quality Management (TQM). Kaizen groups - continuous improvement The importance of benchmarking in setting standards Whilst candidates should appreciate the need for Quality Control and the general methods which may be employed, the mathematics of the methods will not be required
- <i>Production planning</i>	
Network analysis (CPA)	An understanding of the main elements of a network diagram i.e. activities, dummy activities, and nodes. Calculation of minimum project duration and identification and significance of "critical path"
Business finance & Accounting	<i>Emphasis should be on the different sources of business finance and the suitability of each in different circumstances.</i> <i>Emphasis should also be on the use of accounting and financial information as an aid to decision-making and financial control. Students should also use a range of performance measures critically and evaluate the appropriateness of different financial techniques in shaping decision-making in the context of wider strategic objectives of business.</i>

CONTENT	NOTES FOR GUIDANCE
Candidates will be expected to know the following:	
<i>- The need for business finance</i>	
Start up capital and expansion of the business	The different circumstances in which new and existing businesses require finance
Capital vs Revenue expenditure	The distinction between capital and revenue expenditure and the reasons why different sources are likely to be appropriate Understanding the significance of the distinction between capital and revenue expenditure
Working capital	The meaning and significance of working capital. The management of working capital - treated descriptively
Control of working capital - stock, debtor and creditor control	An understanding of the methods a business might use to improve the control of its working capital. Links here should be made with stock management and debtor/creditor control
<i>- Sources of finance</i>	
Short and long term sources	The distinction between short and long term sources of finance. Internal sources - retained profits and sale of assets. External sources- share capital, ordinary and preference (not cumulative); venture capital, loan capital-overdrafts, bank loans, debentures
Internal and external sources	
Selecting the appropriate sources of finance	Candidates will be expected to have a sound grasp of all sources of business finances and to evaluate the appropriateness of each of these in different business circumstances
The factors influencing the choice of finance	Candidates will be expected to discuss the factors influencing the final choice of sources of finance to be used in different business circumstances e.g. cost, flexibility, need to retain control, use to which finance is to be put. Importance of gearing
<i>- Money and capital market Institutions</i>	
	Banks and specialist lending institutions such as Merchant banks and Finance houses. The functions of these and the services they provide. Capital market - the role and significance of the Stock Exchange - examples drawn from candidate's own country are encouraged. World Bank and the International Monetary Fund as sources of finance for governments and certain business projects

CONTENT	NOTES FOR GUIDANCE
Candidates will be expected to know the following:	
<i>- The need for business accounts</i>	
The main users of published company accounts - internal and external	Candidates should be aware of the main stakeholder groups with interest in a business' published accounts. The specific information required by each group
The distinction between financial and management accounting	A simple recognition of the main distinctions between management and financial accounting
<i>- The foundations of accounting</i>	
	Simple treatment of the main concepts and conventions used when drawing up published accounts - double entry, accruals, money measurement, conservatism, realisation.
	Definitions only will be required. No numerical questions will be set on these
<i>- What published accounts contain</i>	
Balance Sheets- main asset and liability categories	Candidates will not be expected to have knowledge of complex accounts or partnership accounts
Balance Sheets- main asset and liability categories	Candidates should be able to understand the main sections of a published balance sheet
Profit and Loss Accounts - layout and content of simple versions	The main features of a published profit and loss account - turnover, cost of goods sold, overhead expenses, gross profit, net profit, dividends and retained profit. Simple amendments based on data given will be required
The purpose and structure of both balance sheets and profit and loss accounts	Candidates will be expected to draw up straightforward accounts from given data
Depreciation provisions - straight line method diminishing balance method comparison of the two methods	Depreciation - simple calculations of depreciation using the straight line method. An understanding of the importance of depreciation to both the profit and loss accounts and the balance sheet
	An evaluation of the two depreciation methods. Simple calculations will be required but the calculation of the percentage needed for diminishing balance will not be required
Goodwill	The treatment of goodwill in published accounts
Stock valuation	Descriptive treatment of the main methods of stock valuation (LIFO, FIFO, AVCO). No numerical questions will be set on these.

CONTENT	NOTES FOR GUIDANCE Candidates will be expected to know the following:
Cash Flow Statement - description of contents and purpose	Using both indirect and direct methods.
Simple amendments to Balance Sheets and Profit And loss Accounts from given data	Simple amendments will be required on the basis of data provided e.g. adjusting the value of fixed assets in the light of revaluation.
- <i>Analysis of published accounts</i>	
Profitability and liquidity ratios Calculation from data, interpretation of results	Emphasis should be on the concepts of liquidity and profitability but calculations will be required. Liquidity - acid test and current ratio. How a business might improve its liquidity Profitability - return on capital employed, gross and net profit margins. Interpretation of results
Financial efficiency ratio - stock turnover, debtor days and creditor days. - long term divided by capital employed. Investor ratios - dividend yield, dividend cover and PE ratio. The limitations of ratio analysis. Trend analysis of ratios and inter-firm comparisons	A thorough understanding of uses and limitations of ratio analysis will be expected. Candidates will be examined on the meaning of ratio results and on how the financial efficiency, Gearing ratio gearing and capital investor ratios might be capital employed capital consequence of management action e.g. deciding to raise capital from share issue rather than loans or a decision to raise the dividend payment whilst profits are not rising
- <i>Investment appraisal</i>	
Forecasting cash-flows	An awareness of the uncertainty regarding the calculation of future cash-flows.
Quantitative appraisal - Methods; payback and average rate of return	The calculation and evaluation of the payback and average rate of return techniques
Discounted cash flow and internal rate of return	The calculation of NPV will be examined with simple data. The calculation of IRR will not be examined but a descriptive understanding of the result will be expected. Evaluation of all four approaches to investment appraisal. Recognition of the importance of qualitative factors in the decision e.g. business objectives and the degree of risk acceptable to managers.
Qualitative factors influencing the final investment decision	An understanding of the qualitative factors which might influence investment decisions in given situations

CONTENT	NOTES FOR GUIDANCE
	Candidates will be expected to know the following:
- <i>Managing cashflows</i>	
Cashflow forecasts	Drawing up simple cash flow forecasts based on given data. Amending forecasts provided in the light of changes in business circumstances
Ways of improving a business' cashflow including debt factoring, leasing sale and lease back and improved control of working capital. Evaluation of these.	Ways of increasing cash inflow from debtors or reducing cash flow by reducing costs or extended credit periods - description only
- <i>Budget and budgeting</i> The purpose of budgets	The purpose of budgetary control. Benefits and drawbacks from the use of budgets. How budgets may be established. Descriptive treatment of flexible budgets and zero budgets.
Interpretation of variances - adverse and favourable but not price/volume analysis	Questions, which require candidates to numerically analyse variances into price, volume etc variances, will not be set.
<i>Business plans</i>	Preparation of a simple business plan
Information for Decision Making	<i>The emphasis should be on the main sources of collecting and presenting statistical data frequently used in business. The use of simple decision making and planning techniques</i>
<i>Sources and reliability of information</i>	The main national and international sources of information. Candidates do not need to be able to refer to sources in detail but are expected to make sensible suggestions as to where information may be sought in a given situation, and what its value and reliability may be. The limitations of using purely numerate data when making decisions and of ways in which such data may be misused.
- <i>Collection of information</i>	Market research techniques (see section on marketing)
- <i>Presentation of information</i>	Main methods for the visual presentation of information i.e. tables graphs, pie charts, bar charts and pictograms. The ability to interpret information presented in different formats will be required, though there will be no requirement for candidates to construct pie charts, bar charts or pictograms
- <i>Data analysis and evaluation</i>	Calculation of the mean, median and mode from ungrouped frequency distributions. Calculation of the mean only from distributions. The use of these measures in given situations.
Measures of central tendency and measures of dispersion	Mean deviation, standard deviation, variance and range

CONTENT	NOTES FOR GUIDANCE
Decision trees, time series analysis, network analysis, cost benefit analysis, investment appraisal Linear programming - Blending technique	<p data-bbox="570 191 1214 218">Candidates will be expected to know the following:</p> <p data-bbox="570 258 1247 317">Most of the techniques are found in the other areas of the syllabus.</p> <p data-bbox="570 348 1122 407">Decision trees – construction and use of these, including simple probability.</p> <p data-bbox="570 438 1435 497">Time series analysis (see Marketing Section) – NB construction of index numbers is not required.</p> <p data-bbox="570 529 1235 556">Network analysis (see Operations Management Section)</p> <p data-bbox="570 588 1289 615">Cost-benefit analysis – descriptive treatment only is required.</p> <p data-bbox="570 646 1386 674">Investment appraisal (see Business Finance and Accounting Section)</p> <p data-bbox="570 705 1435 764">Linear programming – blending method. Candidates will be expected to solve simple problems using graphical analysis.</p>
- <i>Break even analysis</i>	see Operations Management section
- <i>Investment appraisal</i>	see Business Accounting section
Information Technology	<p data-bbox="570 921 1321 980">Introduction to computers and the role of computers in business Computer Hardware and Software (Treated descriptively)</p> <p data-bbox="570 1012 1435 1039">'Hands-on' experience of computers is not required</p>

7 RESOURCES LIST

Some of these can be used as textbooks for a course, while others are intended for reference and selected readings. The inclusion of books in this list does not imply a recommendation. It is simply a list from which teachers may like to select.

GENERAL TEXTS

M Barratt & Mottershead	<u>A level Business Studies Students' Book</u> Longman, Published June 2000, 0 582 405275
Chris Dearden & Mike Fosten	<u>Organisational Decision Making</u> Longman, 0 582 081 08118 1
Ian Dorton & Alex Smith	<u>A Student's Guide to Business Studies</u> Hodder, 0 340 53927 5
David Dyer & Ian Chambers	<u>Business Studies: An Introduction</u> Longman Group, 0 852 35603 2
David Dyer, Ian Dorton, Peter Stimpson	<u>Business Studies</u> CUP, Published 2000
Andrew Gillespie	<u>Advanced Business Studies Through Diagrams</u> Oxford University Press, 0 19 832769 2
Hall, Raffo, Jones	<u>Business Studies</u> Causeway Press, 1 873 929099
Susan Hammond	<u>Business Studies: Student Book</u> Longman, 0 582 24479X
B R Jewell et al	<u>A Practical Approach to Business Studies</u> Financial Times Management, 0 273 036734
Ian Marcouse & David Lines	<u>Business Case Studies</u> Longman, 0 582 244811
D Needham & R Dransfield	<u>Business Studies</u> Stanley Thornes, 07 4871876 1
D Needham & Dransfield	<u>Business Studies in Practice</u> Stanley Thornes, 0 07 707292 8
D Needham & R Dransfield	<u>Understanding Business Studies</u> Stanley Thornes, 0 748 718761
Peter Stimpson & Karen Borrington	<u>IGCSE Business Studies</u> John Murray, 0 7195 7223 1 (introductory text)
Peter Tinniswood	<u>Case Studies for Decision Making</u> Longman, 0 582 06793 6

General Library/Reference Books

- R C Appleby Modern Business Administration Pitman, 0 273 61326X
- Martin Buckley The Structure of Business Longman, 0 273 602691
- P F Drucker Managing for Results Butterworth-Heinemann,
0 7505 19074
- G Easton Learning from Case Studies Prentice-Hall, 0 135 286833
- C B Handy Understanding Organisations Penguin, 0 14 015603 8
- Stephanie Howkins The Organisation and its Environment 1 Oxford University Press,
0 19 833531 8
- Stephanie Howkins & Janet Jones The Organisation and its Environment 2 Oxford University Press,
0 19 833535 0
- David Lines et al The Complete A – Z Business Studies Handbook Hodder, 0 340
654678
- D S Pugh & D J Hickson Writers on Organisations Penguin, 0 14 0250239
- Rosemary Stewart The Reality of Management Butterworth-Heinemann,
0 750622890

Business and its Environment

- Managing Human Resources
- C J Adock Fundamentals of Psychology Penguin, 0 14 01354 6
- J Scott & Rochester Managing People Warner, 0 7515 04122
- Helen Collins Human Resource Management Hodder, 0 340 57654 5

Marketing and Production

- R Dransfield & D Needham Marketing – Everybody's Business Heinemann,
0435 45025 5
- Peter Tinniswood Marketing and Production Decisions Longman,
0 582 06772 3
- Phillip Kotler Marketing

Business Finance and Accounting

- D R Myddleton Accounting and Financial Decisions Longman,
0 582 04091 4
- R H Parker Understanding Company Financial Statements Penguin, 0 14
017378 1
- Rockeley Finance for the Non-Accountant Business Books,
0 0915309 1 1
- John Sizer Insight into Management Accounting Penguin,
0 14 009126 2

Information for Decision Making

John Curwin & Roger Slater	<u>Quantitative Methods for Business Decisions</u> Business Press Thomson Learning, 1 8615 2027 1
D Gregory & H Ward	<u>Statistics for Business Studies</u> McGraw Hill, 0 07 084606 5
John Powell	<u>Quantitative Decision Making</u> Longman, 0 582 06791 X
Susan Hammond	Business Studies
Bruce R Jewell	An integrated Approach to Business Studies
Vincent Gabriel	Management
Steven Danks	Business Studies
Needham Dham & Dansfield	Business Studies Workbook (Teachers guide)