

GCE AS

WJEC Eduqas GCE AS in BUSINESS

ACCREDITED BY OFQUAL

SPECIFICATION

Teaching from 2015
For award from 2016



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AS BUSINESS

SUMMARY OF ASSESSMENT

Component 1: Business Opportunities

Written examination: **1 hour**

40% of qualification

Structured questions to assess business opportunities, business start-ups, small and medium-sized enterprises and other types of business organisations and the markets in which they operate

Total marks: 50

Component 2: Business Functions

Written examination: **2 hours**

60% of qualification

Two sections covering all of the AS content

Section A – compulsory data response questions

Section B – one essay from a choice of three

Total marks: 80

This linear qualification will be available in the summer series each year. It will be awarded for the first time in summer 2016.

Qualification Accreditation Number: 601/4869/X

AS BUSINESS

1 INTRODUCTION

1.1 Aims and objectives

The WJEC Eduqas AS in Business encourages learners to:

- develop an enthusiasm for studying business
- gain an holistic understanding of business in a range of contexts
- develop a critical understanding of organisations and their ability to meet society's needs and wants
- understand that business behaviour can be studied from a range of perspectives
- generate enterprising and creative approaches to business opportunities, problems and issues
- be aware of the ethical dilemmas and responsibilities faced by organisations and individuals
- acquire a range of relevant business and generic skills, including decision making, problem solving, the challenging of assumptions and critical analysis
- apply numerical skills in a range of business contexts.

This AS specification introduces learners to the dynamic business environment and the importance of entrepreneurial activity in creating business opportunities and sustaining business growth. Learners will have the opportunity to develop a wide range of essential skills required for A level, higher education and employment.

The focus of the specification is to nurture an enthusiasm for studying business using contemporary contexts, allowing learners to develop an holistic understanding of business issues from a local to global perspective.

1.2 Prior learning and progression

There are no prior learning requirements. Any requirements set for entry to a course following this specification are at the discretion of centres. It is reasonable to assume that many learners will have achieved qualifications equivalent to Level 2 at KS4. Skills in Numeracy/Mathematics, Literacy/English and Information Communication Technology will provide a good basis for progression to this qualification.

Some learners will have already gained knowledge, understanding, and skills through their study of business at GCSE.

Quantitative skills are specified in the subject criteria and repeated in Appendix A of this specification.

This specification provides a suitable foundation for the study of business at A level. In addition, the specification provides a coherent, satisfying and worthwhile course of study for learners who do not progress to further study in this subject.

This specification is not age specific and, as such, provides opportunities for candidates to extend their life-long learning.

1.3 Equality and fair assessment

This specification may be followed by any learner, irrespective of gender, ethnic, religious or cultural background. It has been designed to avoid, where possible, features that could, without justification, make it more difficult for a learner to achieve because they have a particular protected characteristic.

The protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The specification has been discussed with groups who represent the interests of a diverse range of learners, and the specification will be kept under review.

Reasonable adjustments are made for certain learners in order to enable them to access the assessments (e.g. candidates are allowed access to a Sign Language Interpreter, using British Sign Language). Information on reasonable adjustments is found in the following document from the Joint Council for Qualifications (JCQ): *Access Arrangements and Reasonable Adjustments: General and Vocational Qualifications*.

This document is available on the JCQ website (www.jcq.org.uk). As a consequence of provision for reasonable adjustments, very few learners will have a complete barrier to any part of the assessment.

2 SUBJECT CONTENT

The subject content enables learners to investigate different types and sizes of organisations in various business sectors and environments, drawing on local, national and global contexts. Learners will develop an holistic understanding of business and enterprise and be aware of the opportunities and threats of operating in a global marketplace.

Learners will be expected to be familiar with current issues in business and be able to investigate, analyse and evaluate contemporary business issues, whilst recognising how businesses adapt to operate in a dynamic business environment.

Learners will gain an understanding of the important role played by small businesses in the economy and the opportunities that exist for entrepreneurs, as well as the importance of established businesses and not-for-profit organisations in providing goods and services.

Learners will be expected to use a range of numerical skills and make justifiable decisions using both quantitative and qualitative methods applied in the context of AS Business as listed in Appendix A.

The knowledge, understanding and skills are set out in two columns. The topic to be studied is in the first column with amplification in the second column. There is no hierarchy implied by the order in which the content and amplification are presented, nor should the length of the various sections be taken to imply any view of their relative importance.

2.1 Component 1

Business Opportunities

Written examination: 1 hour
40% of qualification

This component focuses on new business start-ups and small and medium sized enterprises (SMEs). The content in this section is based around the concept of starting a new business and the issues that surround the process of planning a new business. In addition to covering the main concepts of setting up a new business, learners should be aware of other types of business organisations and the markets they operate in and their various stakeholders.

Learners will need to study the content areas below:

- Enterprise
- Business plans
- Markets
- Market research
- Business structure
- Business location
- Business finance
- Business revenue and costs.

Content	Amplification
Enterprise	<p>Explain the meaning of enterprise and SMEs</p> <p>Explain how satisfying needs and wants can give opportunities to entrepreneurs</p> <p>Identify business opportunities</p> <p>Explain the role of the entrepreneur in creating, setting up, running and developing a business</p> <p>Explain the financial and non-financial motives of entrepreneurs</p> <p>Explain the characteristics and skills of entrepreneurs</p> <p>Explain the importance of entrepreneurs and SMEs to the primary, secondary and tertiary sectors of the UK economy</p> <p>Evaluate the impact of entrepreneurs and SMEs on businesses and the economy</p> <p>Identify the various stakeholders who are affected by a business</p>
Business plans	<p>Explain the purpose and main components of a business plan</p> <p>Evaluate the importance of a business plan</p> <p>Identify the main sources of information and guidance available to entrepreneurs</p>
Markets	<p>Explain what is meant by a market and competition</p> <p>Identify different types of market, including local/global, mass/niche, trade/consumer, product/service and seasonal</p> <p>Analyse and interpret market data, including market size, market share and market trends</p> <p>Explain what is meant by market segmentation</p> <p>Explain how markets are segmented</p> <p>Evaluate the importance and impact of segmentation to a business and its customers</p> <p>Understand that different markets have differing degrees of competition, ranging from perfect competition to monopoly</p> <p>Explain the features of perfect competition, monopolistic competition, oligopoly and monopoly and their impact on business behaviour</p> <p>Understand the reasons why consumers sometimes need protection from exploitation from businesses</p> <p>Explain what is meant by demand, supply and equilibrium</p> <p>Understand the importance of demand and supply in the market</p>

Content	Amplification
	<p>Explain the factors that lead to a change in demand and supply</p> <p>Explain how a change in demand and supply can impact on price and quantity</p> <p>Construct and interpret demand and supply diagrams</p> <p>Understand the factors that cause the demand and supply curves to shift and the effect this has on equilibrium price and quantity</p> <p>Analyse and evaluate factors which affect demand and supply and equilibrium</p> <p>Understand the concept of price and income elasticity of demand (learners are not required to do calculations)</p> <p>Explain the nature of inferior, normal and luxury goods</p>
Market research	<p>Explain what is meant by market research</p> <p>Explain the value of carrying out market research</p> <p>Distinguish between primary and secondary market research</p> <p>Evaluate the use of market research to business and its stakeholders</p> <p>Distinguish between qualitative and quantitative data</p> <p>Explain the different methods of primary and secondary research available to businesses</p> <p>Explain the issues involved in selecting the most appropriate method of market research</p> <p>Evaluate the use of the different methods of primary and secondary research</p> <p>Interpret and evaluate quantitative and qualitative research</p> <p>Explain what is meant by sampling</p> <p>Explain the difference between random and quota sampling methods</p> <p>Understand the need to avoid bias in market research</p> <p>Evaluate the usefulness of sampling for a business and its stakeholders</p>

Content	Amplification
Business structure	<p>Explain the difference between the private and public sector</p> <p>Explain the aims of private sector businesses including survival, growth and profit</p> <p>Explain the aims of the public sector and its role in providing goods and services</p> <p>Evaluate the roles of the public and private sectors in the provision of goods and services</p> <p>Explain the legal structure of different private sector business organisations including sole traders, partnerships, private and public limited companies</p> <p>Explain what is meant by unlimited liability and limited liability</p> <p>Explain the advantages and disadvantages of choosing different legal structures for a business</p> <p>Evaluate the factors affecting the choice of the legal structure of a business</p> <p>Explain the main features of not-for-profit organisations including social enterprises, charities, co-operatives and societies</p> <p>Evaluate the importance and impact of the legal structure for the various stakeholders for a business</p>
Business location	<p>Explain the factors that need to be considered when locating a new business</p> <p>Analyse these factors in relation to the needs of the business</p> <p>Evaluate the choice of different locations for a new business</p>
Business finance	<p>Explain the sources of finance available to entrepreneurs and SMEs</p> <p>Analyse the advantages and disadvantages of each source of finance</p> <p>Evaluate different sources of finance available to entrepreneurs and SMEs</p>

Content	Amplification
Business revenue and costs	<p>Explain what is meant by costs, revenue and profit</p> <p>Identify costs to a business, including fixed, variable, semi-variable, direct, indirect/overhead costs and total costs</p> <p>Calculate revenue, costs and profit</p> <p>Interpret revenue, costs and profit calculations</p> <p>Evaluate the impact of costs, revenue and profit on a business and its stakeholders</p> <p>Explain what is meant by contribution</p> <p>Explain what is meant by break-even</p> <p>Calculate contribution and understand its application to the calculation of break-even</p> <p>Construct and interpret break-even charts, including the margin of safety</p> <p>Illustrate on a break-even chart the effects of changes in costs and revenue</p> <p>Analyse how changes in costs and/or revenue can affect break-even ('what-if' analysis)</p> <p>Evaluate the usefulness of break-even to a business and its stakeholders</p>

2.2 Component 2

Business Functions

Written examination: 2 hours
60% of qualification

This component broadens the context for learners and will include all types of business organisations, ranging from recently formed small businesses to well-established multinational companies. Learners need to understand that, in order to succeed in a competitive market, all businesses have to consider the core functions of business.

Learners will need to study the content areas below:

- Marketing
- Finance
- People in organisations (human resources)
- Operations management.

Content	Amplification
Marketing	<p>Explain the purpose of marketing and its importance to different types of business organisation in different situations</p> <p>Explain what is meant by market orientation, product orientation and asset-led marketing</p>
The marketing mix	<p>Explain what is meant by the marketing mix</p>
Product	<p>Explain what is meant by product, product portfolio, brand, unique selling point (USP) and differentiation</p> <p>Evaluate the importance of having the right product(s) to a business and its stakeholders</p> <p>Explain what is meant by the product life cycle</p> <p>Explain the stages in the product life cycle</p> <p>Explain what is meant by an extension strategy</p> <p>Construct and interpret a product life cycle diagram including extension strategies</p> <p>Evaluate the impact of extension strategies on a business</p> <p>Explain the relationship between the product life cycle and cash flow</p> <p>Analyse product life cycles and extension strategies for different businesses, products and markets</p> <p>Evaluate the use of the product life cycle to a business and its stakeholders</p> <p>Explain how the Boston matrix can be used to manage a product portfolio</p> <p>Evaluate the use of the Boston matrix to a business and its stakeholders</p>
Price	<p>Explain the different strategies used by businesses to determine the appropriate price for a product including penetration, skimming, cost-plus, competitive, psychological and contribution</p> <p>Understand how different types of business organisations in different situations will use different pricing strategies</p> <p>Evaluate the importance for a business of selecting the most appropriate pricing strategy</p> <p>Evaluate the impact of pricing decisions on a business and its stakeholders</p>

Content	Amplification
Promotion	<p>Explain what is meant by promotion</p> <p>Explain the different above the line and below the line strategies used by businesses to promote their products</p> <p>Understand how different types of business organisations in different situations will use a range of different promotional strategies</p> <p>Explain the importance for a business of selecting the most appropriate promotional strategy</p> <p>Evaluate the impact of selecting the right promotional strategy on a business and its stakeholders</p>
Place	<p>Explain what is meant by place</p> <p>Explain the different distribution channels used by businesses</p> <p>Explain what is meant by multi-channel distribution</p> <p>Explain the importance for a business of selecting the most appropriate distribution channel/s</p> <p>Evaluate the impact of selecting the right distribution channel/s on a business and its stakeholders</p>
Decisions about the marketing mix	<p>Understand the importance of global marketing and global brands</p> <p>Explain how the marketing mix will differ in different contexts including, local, national or global markets, goods or services markets, size of business, niche or mass markets and market structure</p> <p>Evaluate the marketing mix in different contexts</p>
New technology	<p>Explain how new technology is used in marketing, including the role of digital media, social media, e-tailing and m-commerce</p> <p>Explain the impacts of new technology on existing businesses such as high street retailers</p> <p>Evaluate the impact of new technology on the marketing activities of businesses and its stakeholders</p>

Content	Amplification
Finance	Understand the role of the finance department
Budgeting	<p>Explain what is meant by a budget</p> <p>Explain the purpose of budgets</p> <p>Evaluate the use of budgets to a business and its stakeholders</p>
Business finance	<p>Explain the sources of finance available to established and large businesses and consider their appropriateness for different circumstances</p> <p>Understand that sources of finance can be internal and/or external</p> <p>Explain internal sources of finance including owner's capital, retained profit and sale of assets</p> <p>Explain external sources/methods of finance including overdrafts, loans, share capital, venture capital, leasing, trade credit and debt factoring</p> <p>Explain the advantages and disadvantages of different sources of finance to a business and the importance of choosing appropriate sources</p> <p>Evaluate the impact of different sources of finance to a business and its stakeholders</p>
Cash flow forecasting	<p>Explain what is meant by cash flow</p> <p>Explain what is meant by a cash flow forecast</p> <p>Construct, calculate and interpret cash flow forecasts</p> <p>Evaluate the impact of a cash flow forecast on a business and its stakeholders</p> <p>Explain the causes of cash flow problems</p> <p>Explain strategies by which a business can improve cash flow</p> <p>Evaluate the strategies a business uses to improve cash flow problems</p> <p>Explain the benefits and limitations of cash flow forecasts</p>
The income statement	<p>Explain the main components of a trading, profit and loss account (the income statement) and the way that it is constructed</p> <p>Calculate gross profit and net profit</p> <p>Evaluate ways in which a business could improve its profit</p>
Ratio analysis	<p>Calculate and interpret gross and net profit margins</p> <p>Evaluate the calculations of profitability ratios to assess the performance of a business</p>

Content	Amplification
People in organisations (human resources)	Explain the functions of the human resource department
Changes in working practices	<p>Explain what is meant by the flexible workforce including flexible hours, home working, part time, temporary, job sharing, multi-skilling, zero hours contracts and hot-desking</p> <p>Explain the impact of new technology on working practices</p> <p>Evaluate the impact of changes in working patterns on employees and employers</p>
Workforce planning	<p>Explain what is meant by workforce planning</p> <p>Evaluate the impact and importance to a business of having the correct numbers of employees with appropriate skills and experience</p>
Recruitment	<p>Explain what is meant by the recruitment process</p> <p>Explain what is meant by internal and external recruitment</p> <p>Explain what is meant by job analysis, job description and person specification</p> <p>Evaluate appropriate methods of selecting different types of employee for different types of job including interviews, work trials, testing, selection exercises and telephone interviews</p> <p>Evaluate the importance of recruitment to a business and its stakeholders</p>
Training	<p>Explain what is meant by training</p> <p>Explain the role of training in developing appropriate skills</p> <p>Explain the different methods of training including induction, on-the-job, off-the-job and apprenticeships</p> <p>Evaluate the importance and impact of training for a business and its stakeholders</p>
Appraisal	<p>Explain what is meant by appraisal</p> <p>Explain different methods of appraisal including superior's assessment, peer assessment, self-assessment and 360 degree feedback</p> <p>Understand how appraisal can benefit both the business and its employees</p> <p>Evaluate the importance and impact of appraisal for a business and its stakeholders</p>

Content	Amplification
Workforce performance	<p>Explain what is meant by workforce performance</p> <p>Explain what is meant by labour productivity, absenteeism and labour turnover</p> <p>Calculate and interpret labour productivity and labour turnover</p> <p>Evaluate the importance and impact of workforce performance for a business and its stakeholders</p>
Organisational design	<p>Explain what is meant by organisational design</p> <p>Understand what is meant by authority, responsibility, chain of command, span of control, delegation, hierarchy, centralisation and decentralisation, empowerment and layering</p> <p>Explain the characteristics of different organisational structures including hierarchical (flat and tall) and matrix structures</p> <p>Explain the advantages and disadvantages of changing organisational structures and layering</p> <p>Evaluate the choice between empowerment and control of the workforce</p> <p>Evaluate the appropriateness of different organisational structures to a business and its stakeholders</p>
Motivation	<p>Explain what is meant by motivation and the benefits of a motivated workforce</p> <p>Explain motivation theories including F.W.Taylor (scientific management), E. Mayo (human relations), A. Maslow (hierarchy of needs), F. Herzberg (two factor theory) and V. Vroom, L. Porter and E. Lawler (expectancy theories)</p> <p>Evaluate the relevance of motivational theories and their importance to businesses</p> <p>Explain financial methods of motivation including piece rate, commission, bonus, salary, profit sharing, share ownership and performance related pay</p> <p>Explain non-financial methods of motivation including consultation, job design, job enlargement, job rotation, job enrichment, empowerment, team working and flexible working</p> <p>Evaluate the appropriateness of various financial and non-financial methods of motivation for a business and its stakeholders</p> <p>Evaluate the impact of a motivated workforce on a business and its stakeholders</p>

Content	Amplification
Management and leadership	<p>Explain what is meant by management</p> <p>Explain the functions and roles of management</p> <p>Explain the advantages and disadvantages of management by objectives (MBO)</p> <p>Explain D. McGregor's theory X and theory Y</p> <p>Evaluate the importance of management to a business and its stakeholders</p> <p>Explain what is meant by leadership</p> <p>Explain different types of leadership styles including autocratic, democratic, paternalistic, bureaucratic and laissez-faire</p> <p>Explain leadership theories including F. Fiedler (1976) and P. Wright and D. Taylor (1984)</p> <p>Evaluate the importance and impact of leadership for a business and its stakeholders</p> <p>Evaluate the appropriateness of various leadership styles and theories to different business situations</p>
Employer/employee relationships	<p>Explain what is meant by employer/employee relationships</p> <p>Explain the duties and rights of employers and employees including contract of employment, health and safety, minimum wage and dismissal</p> <p>Explain what is meant by equal opportunities</p> <p>Evaluate the impact of equal opportunities on employers and employees</p> <p>Explain the role of trade unions including collective bargaining, their advantages and disadvantages</p> <p>Explain what is meant by employer and employee conflict including trade disputes and industrial action</p> <p>Explain the resolution of disputes including negotiation, consultation and the role of ACAS</p> <p>Evaluate the impact of employer/employee relations, conflict and resolution on a business and its stakeholders</p>

Content	Amplification
Operations management	Understand the nature of operations management in different types of business organisation
Added value	<p>Explain what is meant by added value</p> <p>Calculate added value</p> <p>Explain ways of increasing value added</p> <p>Evaluate the importance of added value to a business and its stakeholders</p>
Production	<p>Explain the different methods of production including job, batch and flow</p> <p>Evaluate appropriate methods of production for businesses</p>
Productivity	<p>Explain what is meant by productivity</p> <p>Understand ways of measuring productivity</p> <p>Explain ways in which productivity can be increased</p> <p>Evaluate the importance and impact of productivity for a business and its stakeholders</p> <p>Explain the concept of capacity utilisation</p> <p>Calculate and interpret capacity utilisation</p> <p>Evaluate the concept of capacity utilisation for a business and its stakeholders</p>
Technology	<p>Explain how new technology can be used by businesses, including the use of information technology, CAD, CAM and robotics</p> <p>Evaluate the impact of new technology on the various stakeholders of a business</p> <p>Evaluate the importance and impact of technology in the operations of a business</p>
Lean production	<p>Explain what is meant by lean production</p> <p>Explain the range of lean production practices that are used to reduce waste and improve productivity including <i>kaizen</i> (continuous improvement), just-in-time, cell production and time-based management</p> <p>Evaluate the importance and impact of lean production for businesses and their stakeholders</p>

Content	Amplification
Quality	<p>Explain what is meant by quality</p> <p>Analyse the importance of quality to a business</p> <p>Explain the difference between quality control and quality assurance</p> <p>Explain the concept of total quality management (TQM) and the ways that it can be achieved including quality chains, empowerment, monitoring, teamwork, zero defects, quality circles and benchmarking</p> <p>Evaluate the importance of quality for a business and its stakeholders</p>
Purchasing	<p>Explain the importance of purchasing and working with suppliers</p> <p>Explain what is meant by stock control</p> <p>Understand the importance of controlling stock</p> <p>Explain methods of stock control including traditional stock control methods, just-in-time and computerised stock control</p> <p>Interpret stock control diagrams and explain the main components including re-order level, lead time, buffer stock and minimum stock level</p> <p>Evaluate the importance and impact on businesses and their stakeholders of holding too much or too little stock</p>
Research and development (R&D)	<p>Explain what is meant by innovation, research and development</p> <p>Explain the process of product design and development</p> <p>Evaluate the costs and benefits of innovation, research and development for a business and its stakeholders</p>
Economies of scale	<p>Explain what is meant by economies of scale</p> <p>Explain the different types of internal economies of scale</p> <p>Explain external economies of scale</p> <p>Explain how businesses benefit from the different types of internal and external economies of scale</p> <p>Explain reasons for internal diseconomies of scale</p> <p>Explain the problems caused by internal diseconomies of scale</p> <p>Explain the survival of small firms</p> <p>Evaluate the impact of economies and diseconomies of scale on a business and its stakeholders</p>

3 ASSESSMENT

3.1 Assessment objectives and weightings

Below are the assessment objectives for this specification. Learners must demonstrate their ability to:

AO1

Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.

AO2

Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.

AO3

Analyse issues within business, showing an understanding of the impact on individuals and organisations of external and internal influences.

AO4

Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

The table below shows the weighting of each assessment objective for each component and for the qualification as a whole.

	AO1	AO2	AO3	AO4
Component 1	11-13%	10-12%	9-11%	6-8%
Component 2	17-19%	13-15%	14-16%	12-14%
Overall weighting	29-31%	24-26%	24-26%	19-21%

4 TECHNICAL INFORMATION

4.1 Making entries

This is a linear qualification in which all assessments must be taken at the end of the course. Assessment opportunities will be available in the summer series each year, until the end of the life of this specification. Summer 2016 will be the first assessment opportunity.

Where learners wish to re-sit the qualification, all components must be re-taken.

The entry code appears below.

WJEC Eduqas AS Business B510QSL

The current edition of our *Entry Procedures and Coding Information* gives up-to-date entry procedures.

4.2 Grading, awarding and reporting

AS qualifications are reported as a grade on the scale from A to E. Results not attaining the minimum standard for the award will be reported as U (unclassified).

AS qualifications are free-standing and are awarded in their own right. Assessments at AS cannot contribute to an A level grade.

APPENDIX A

Quantitative Skills in Business

In order to be able to develop their skills, knowledge and understanding in business, learners need to have acquired competence in the quantitative skills that are relevant to the subject content, including being able to:

- calculate, use and understand ratios, averages and fractions
- calculate, use and understand percentages and percentage changes
- construct and interpret a range of standard graphical forms
- interpret index numbers
- calculate cost, revenue, profit and break-even
- interpret values of price and income elasticity of demand
- use and interpret quantitative and non-quantitative information in order to make decisions
- interpret, apply and analyse information in written, graphical and numerical forms.

The assessment of quantitative skills includes at least level 2 mathematical skills as a minimum of 10% of the overall AS marks.

These quantitative skills may be assessed across the assessment objectives.