

APPROVAL CRITERIA FOR GCSE BUSINESS



JULY 2016

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This is a **Regulatory Document** under **Condition B7** of the *Interim Standard Conditions of Recognition*¹: *Compliance with Regulatory Documents*.

Introduction

¹ <http://qualificationswales.org/regulation/monitoring-awarding-bodies/?lang=en&>

This document sets out the approval criteria for GCSE Business. These have been developed through stakeholder engagement and public consultation. They include the requirements that an awarding body must meet when developing the specification and assessment materials for the qualification.

The approval criteria in this document will come into effect from 18 July 2016.

Qualifications Wales will only approve qualifications that meet all of the requirements set out in this document together with those set out in the *GCSE Qualification Approval Criteria*² and *Interim Standard Conditions of Recognition*³. In developing qualifications to meet these requirements awarding bodies must have regard to *Fair Access by Design*⁴.

Where the requirements of the Subject Approval Criteria set out in this document differ from those prescribed in the *GCSE Qualifications Approval Criteria* and the *Interim Standard Conditions of Recognition*, the requirements in this document will take precedence.

² <http://qualificationswales.org/regulation/approved-and-designated-qualifications/gcse-approval-criteria-july-2016/?lang=en>

³ <http://qualificationswales.org/regulation/monitoring-awarding-bodies/?lang=en&>

⁴ <http://gov.wales/docs/dcells/publications/150727-fair-access-by-design-en.pdf>

Subject aims and objectives

1. GCSE Business specifications must enable learners to:
 - 1.1. actively engage in the study of business to develop as effective and independent learners, and as critical and reflective thinkers with enquiring minds;
 - 1.2. use an enquiring, critical approach to distinguish facts and opinions, to build arguments and make informed judgements;
 - 1.3. develop and apply business knowledge, understanding and skills to contemporary issues in a range of local, national and global contexts;
 - 1.4. appreciate a range of perspectives on the impacts of business on wider society;
 - 1.5. consider the extent to which business activity can be ethical and support sustainable development;
 - 1.6. develop and apply quantitative skills relevant to business including using and interpreting data;
 - 1.7. apply and relate knowledge and understanding to real enterprise and business opportunities, decision making and scenarios.

Subject content

2. The subject content of GCSE Business specifications must reflect the subject aims and objectives.

Knowledge and understanding

3. GCSE Business specifications must require learners to demonstrate knowledge and understanding of:
 - 3.1. Business activity
 - 3.1.1. The purpose of business activity, the role of business enterprise and entrepreneurship, and the dynamic nature of business;
 - 3.1.2. The competitive environment and the impact of risk and reward on business activity;
 - 3.1.3. The purpose of planning business activity, including the role and importance of a business plan;
 - 3.1.4. The factors influencing business location, including proximity to market, labour and materials;
 - 3.1.5. The types of business ownership, including business start-ups and the concept of limited liability;

- 3.1.6. Business aims and objectives, how and why they differ between businesses, and how and why they change as businesses evolve;
- 3.1.7. Methods of business growth, including organic and external growth;
- 3.1.8. Business stakeholders, including owners, employees and customers; their different objectives, how they are affected by business activity and how they affect business;
- 3.1.9. The interdependent nature of business operations, finance, marketing and human resources within a business context.

3.2. Influences on business

- 3.2.1. The importance of external influences on business and how businesses change in response to these influences, including:
 - i. how technology influences business activity, including e-commerce and digital communication;
 - ii. the impact of ethical and environmental considerations on businesses, including sustainability;
 - iii. the impact of the economic climate on businesses, including changing levels of consumer income and unemployment;
 - iv. the impact of globalisation on businesses, including how businesses compete internationally;
 - v. the impact of legislation on businesses, including employment law and consumer law.

3.3. Business operations

- 3.3.1. What business operations involve, their role within the production of goods and the provision of services, and how they influence business activity, including:
 - i. the impact of different types of production processes on businesses;
 - ii. the role of procurement and the impact of logistical and supply decisions on businesses;
 - iii. the concept of quality and its importance to a business, including the production of goods and the provision of services;
 - iv. the sales process and the importance to businesses of providing good customer service, including product knowledge, customer engagement and post-sales service.

3.4. Finance

- 3.4.1. The purpose of the finance function, its role within business and how it influences business activity, including:

- i. what different sources of business finance are available and their suitability for new and established businesses;
- ii. the concept of revenue, costs, profit and loss, including break even and gross and net profit ratios;
- iii. the importance of cash to a business, the difference between cash and profit, and cash-flow forecasting;
- iv. the use of financial information in understanding business performance and making business decisions.

3.5. Marketing

3.5.1. The purpose of marketing, its role within business and how it influences business activity, including:

- i. the importance to a business of identifying and understanding its customers;
- ii. how businesses use segmentation to target customers;
- iii. the purpose and methods of market research, and the use of qualitative and quantitative market research data;
- iv. the marketing mix and the importance of each of the four elements – price, product, promotion and place – and how they work together;
- v. how the marketing mix is used to inform and implement business decisions.

3.6. Human resources

3.6.1. The purpose of human resources, its role within business and how it influences business activity, including:

- i. how and why businesses have different organisational structures, including the importance of effective communication, different job roles and responsibilities, and different ways of working;
- ii. how businesses recruit people, including methods used to meet different business needs;
- iii. the importance of retaining and motivating employees and how businesses achieve this, including financial and non-financial methods;
- iv. how and why businesses train and develop their employees.

Skills

4. GCSE specifications in business must require learners, drawing on their knowledge and understanding to:
 - 4.1. use business terminology to identify and explain business activity;
 - 4.2. apply business concepts to familiar and unfamiliar contexts;
 - 4.3. develop problem solving and decision making skills relevant to business;
 - 4.4. investigate, analyse and evaluate business opportunities and issues;
 - 4.5. make justified decisions using both qualitative and quantitative data including its selection, interpretation, analysis and evaluation, and the application of appropriate quantitative skills.

5. GCSE Business must include subject content that require learners to apply a variety of mathematical techniques in a business context, including calculating:
 - 5.1. percentages and percentage changes;
 - 5.2. averages;
 - 5.3. revenue, costs and profit;
 - 5.4. gross profit margin and net profit margin ratios;
 - 5.5. cashflow forecasts, including total costs, total revenue and net cashflow.

6. GCSE Business specifications must require learners to apply quantitative skills, which includes interpretation of quantitative data in business contexts, to support, inform and justify business decisions, including:
 - 6.1. information from graphs and charts;
 - 6.2. profitability ratios (gross profit margin and net profit margin);
 - 6.3. financial data, including profit and loss, and cashflow forecasts;
 - 6.4. marketing data, including market research data;
 - 6.5. market data including market share, changes in costs and changes in prices.

Assessment objectives

7. The assessment of the knowledge, understanding, and skills required in the GCSE Business specification must target the following assessment objectives in line with the indicated weightings:

Objective	Requirements	Weighting
AO1	Demonstrate knowledge and understanding of business concepts and issues	35%
AO2	Apply knowledge and understanding of business concepts and issues to a variety of business contexts	35%
AO3	Analyse and evaluate business information and issues to demonstrate understanding of business activity, make reasoned judgements and draw conclusions	30%

Scheme of assessment

8. GCSE Business will be formally assessed through examinations only.
9. GCSE Business must allocate a minimum of 10 per cent to the assessment of quantitative skills which includes calculations and interpretation of quantitative data.
10. GCSE Business must not be tiered.
11. GCSE Business must be linear.

**Further
information**

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