Pearson Edexcel

GCSE (9-1) Business

Specification

Pearson Edexcel Level 1/Level 2 GCSE (9-1) in Business (1BS0)

First teaching from September 2017

First certification from 2019

Issue 2

Summary of Pearson Edexcel Level 1/Level 2 GCSE (9-1) in Business specification Issue 2 changes

Summary of changes made between previous issue and this current issue	Page number
The paper timings have been updated for both Paper 1 and Paper 2 from '1 hour and 30 minutes' to '1 hour and 45 minutes'	4, 5, 13, 21
In *Assessment information* the following has been updated: 'Questions in Sections B and C will be based on business contexts given in the paper' to 'Questions in Sections B and C will be based on business contexts given in a Source Booklet.'	13, 21

If you need further information on these changes or what they mean, contact us via our website at: qualifications.pearson.com/en/support/contact-us.html.

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1 Introduction

Why choose Edexcel GCSE Business?

We've listened to feedback from all parts of the business subject community, including teachers, subject associations, professional bodies and higher education. We've used this opportunity of curriculum change to redesign a qualification that is engaging and inspiring, and which reflects the demands of a truly modern and evolving business environment – a qualification that enables your students to develop as commercially minded and enterprising individuals and helps them to succeed in their chosen pathway.

Developing enterprising minds

Familiar course content and approach – we've retained the structure of our current specification while building in new content areas to give you as much continuity as possible, starting the course with an exploration of how and why businesses start, moving through to the issues and decisions businesses make as they grow.

Clear and simple structure – based on your feedback we've taken the opportunity to make some improvements to the clarity and structure of our new specification and exam papers to make sure you are clear about the new teaching and assessment requirements from your first glance.

Engaging and contemporary contexts – our engaging themes will spark your students' imagination and inspire commercial thinking as they develop their business knowledge. We know you use contemporary business contexts in your teaching and our new specification will enable you to continue to bring practical and engaging case studies into the classroom. We also know that real and relevant business examples engage your students so you'll continue to see these in our assessments.

Clear and accessible assessment for all – our new papers will build confidence through ramped questions which increasingly challenge students as they move through the paper. Our consistent assessment structure and straight forward mark schemes make the expectations clear to teachers and students.

Trusted expert support when you need it – we'll provide detailed content and assessment guidance as well as course planners, case studies and guides for how to include investigative tasks within the teaching and learning, to help you implement the new specification with confidence. Our Subject Advisor Colin Leith is available to answer your questions and provide guidance and support.

Supporting you in planning and implementing this qualification

Planning

- Our **Getting Started Guide** gives you a comprehensive overview of the new GCSE qualification to help you to get to grips with the changes to content and assessment, and to help you understand what these changes mean for you and your students.
- We will give you editable **course planners** and a **scheme of work** that you can adapt to suit your department.
- **Our mapping documents** highlight key differences between the new and legacy specifications.

Teaching and learning

There will be lots of free teaching and learning support to help you deliver the new qualification, including:

- case studies and activities
- a guide to using practical examples and business investigations
- additional support and guidance for the new content areas.

Preparing for exams

We will provide a range of resources to help you prepare your students for the assessments, including:

- specimen papers to support formative assessments and mock exams
- marked exemplars of student work with examiner commentaries.

ResultsPlus

ResultsPlus provides the most detailed analysis available of your students' exam performance. It can help you identify the topics and skills where further learning would benefit your students.

examWizard

examWizard is a free online resource for teachers containing a huge bank of past paper questions and support materials to help you create your own mock exams and tests.

Get help and support

Our subject advisor service, led by Colin Leith, will ensure you receive help and guidance from us. You can sign up to receive e-newsletters from Colin to keep up to date with qualification updates and product and service news.

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Qualification at a glance

Content and assessment overview

The Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business consists of two externally-examined papers.

Students must complete all assessment in May/June in any single year.

Theme 1: Investigating small business (*Paper code: 1BS0/01)
Written examination: 1 hour and 45 minutes ***50% of the qualification*** ***90 marks***
Content overview • Topic 1.1 Enterprise and entrepreneurship • Topic 1.2 Spotting a business opportunity • Topic 1.3 Putting a business idea into practice • Topic 1.4 Making the business effective • Topic 1.5 Understanding external influences on business
Assessment overview The paper is divided into three sections: Section A: 35 marks Section B: 30 marks Section C: 25 marks. The paper will consist of calculations, multiple-choice, short-answer and extended-writing questions. Questions in Sections B and C will be based on business contexts given in the paper. Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

*See *Appendix 7: Codes* for a description of this code and all other codes relevant to this qualification.

Theme 2: Building a business (Paper code: 1BS0/02)
Written examination: 1 hour and 45 minutes ***50% of the qualification*** ***90 marks***
Content overview • Topic 2.1 Growing the business • Topic 2.2 Making marketing decisions • Topic 2.3 Making operational decisions • Topic 2.4 Making financial decisions • Topic 2.5 Making human resource decisions
Assessment overview The paper is divided into three sections: Section A: 35 marks Section B: 30 marks Section C: 25 marks. The paper will consist of calculations, multiple-choice, short-answer and extended-writing questions. Questions in Sections B and C will be based on business contexts given in the paper. Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

2 Subject content and assessment information

Qualification aims and objectives

The aims and objectives of this qualification are to enable students to:

- know and understand business concepts, business terminology, business objectives, the integrated nature of business activity and the impact of business on individuals and wider society
- apply knowledge and understanding to contemporary business issues and to different types and sizes of businesses in local, national and global contexts
- develop as enterprising individuals with the ability to think commercially and creatively to demonstrate business acumen, and draw on evidence to make informed business decisions and solve business problems
- develop as effective and independent students, and as critical and reflective thinkers with enquiring minds
- use an enquiring, critical approach to make informed judgements
- investigate and analyse real business opportunities and issues to construct well-argued, well-evidenced, balanced and structured arguments, demonstrating their depth and breadth of understanding of business
- develop and apply quantitative skills relevant to business, including using and interpreting data.

Business contexts

Through studying this qualification students will:

- apply knowledge and understanding to different business contexts. These include businesses ranging from small enterprises to large multinationals and businesses operating in local, national and global contexts
- develop an understanding of how these contexts impact on business behaviour
- use business terminology to identify and explain business activity
- apply business concepts to familiar and unfamiliar contexts.

Business decision making

Through studying this qualification students will:

- apply knowledge and understanding to business decision making, including:
  - the interdependent nature of business activity, influences on business, business operations, finance, marketing and human resources; and how these interdependencies underpin business decision making
  - how different business contexts affect business decisions
  - the use and limitation of quantitative and qualitative data in making business decisions
- develop problem-solving and decision-making skills relevant to business
- investigate, analyse and evaluate business opportunities and issues
- make justified decisions using both qualitative and quantitative data, including its selection, interpretation, analysis and evaluation, and the application of appropriate quantitative skills.

Theme 1: Investigating small business

Overview

Theme 1 concentrates on the key business concepts, issues and skills involved in starting and running a small business. It provides a framework for students to explore core concepts through the lens of an entrepreneur setting up a business.

In this theme, students will be introduced to local and national business contexts and will develop an understanding of how these contexts impact business behaviour and decisions. Local contexts refer specifically to small businesses or those operating in a single UK location and national contexts relate to businesses operating in more than one location or across the UK.

Students must develop an understanding of the interdependent nature of business activity through interactions between business operations, finance, marketing and human resources, as well as the relationship between the business and the environment in which it operates. Students must understand how these interdependencies and relationships underpin business decisions. Teaching approaches to the content must reflect this.

Content

Theme 1 comprises five topic areas.

- Topic 1.1 Enterprise and entrepreneurship – students are introduced to the dynamic nature of business in relation to how and why business ideas come about. They also explore the impact of risk and reward on business activity and the role of entrepreneurship.
- Topic 1.2 Spotting a business opportunity – students will explore how new and small businesses identify opportunities through understanding customer needs and conducting market research. They will also focus on understanding the competition.
- Topic 1.3 Putting a business idea into practice – this topic focuses on making a business idea happen through identifying aims and objectives and concentrating on the financial aspects.
- Topic 1.4 Making the business effective – students will explore a range of factors that impact on the success of the business, including location, the marketing mix and the business plan.
- Topic 1.5 Understanding external influences on business – students are introduced to a range of factors, many of which are outside of the immediate control of the business, such as stakeholders, technology, legislation and the economy. Students will explore how businesses respond to these influences.

Quantitative Skills

Students must draw on their knowledge and understanding of Theme 1 topics to apply a range of quantitative skills relevant to business contexts. This includes calculations and the interpretation, use and limitation of quantitative and qualitative data in business contexts to support, inform and justify business decisions. These will be embedded within the examinations for this qualification. Please see *Appendix 2: Quantitative Skills* for full details of quantitative skills and examples of their application within this qualification. Formulae for use in this qualification can be found in *Appendix 3: Formulae*. Formulae will not be provided in the examinations. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

Topic 1.1 Enterprise and entrepreneurship

Subject content	What students need to learn:
1.1.1 The dynamic nature of business	Why new business ideas come about: • changes in technology • changes in what consumers want • products and services becoming obsolete. How new business ideas come about: • original ideas • adapting existing products/services/ideas.
1.1.2 Risk and reward	The impact of risk and reward on business activity: • risk: business failure, financial loss, lack of security • reward: business success, profit, independence.
1.1.3 The role of business enterprise	The role of business enterprise and the purpose of business activity: • to produce goods or services • to meet customer needs • to add value: convenience, branding, quality, design, unique selling points. The role of entrepreneurship: • an entrepreneur: organises resources, makes business decisions, takes risks.

Topic 1.2 Spotting a business opportunity

Subject content	What students need to learn:
1.2.1 Customer needs	Identifying and understanding customer needs: • what customer needs are: price, quality, choice, convenience • the importance of identifying and understanding customers: generating sales, business survival.
1.2.2 Market research	The purpose of market research: • to identify and understand customer needs • to identify gaps in the market • to reduce risk • to inform business decisions. Methods of market research: • primary research: survey, questionnaire, focus group, observation • secondary research: internet, market reports, government reports. The use of data in market research: • qualitative and quantitative data • the role of social media in collecting market research data • the importance of the reliability of market research data.
1.2.3 Market segmentation	How businesses use market segmentation to target customers: • identifying market segments: location, demographics, lifestyle, income, age • market mapping to identify a gap in the market and the competition.
1.2.4 The competitive environment	Understanding the competitive environment: • strengths and weaknesses of competitors based on: price, quality, location, product range and customer service • the impact of competition on business decision making.

Topic 1.3 Putting a business idea into practice

Subject content	What students need to learn:
1.3.1 Business aims and objectives	What business aims and business objectives are. Business aims and objectives when starting up: • financial aims and objectives: survival, profit, sales, market share, financial security • non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. Why aims and objectives differ between businesses.
1.3.2 Business revenues, costs and profits	The concept and calculation of: • revenue • fixed and variable costs • total costs • profit and loss • interest • break even level of output • margin of safety. Interpretation of break even diagrams: • the impact of changes in revenue and costs • break even level of output • margin of safety • profit and loss.
1.3.3 Cash and cash-flow	The importance of cash to a business: • to pay suppliers, overheads and employees • to prevent business failure (insolvency) • the difference between cash and profit. Calculation and interpretation of cash-flow forecasts: • cash inflows • cash outflows • net cash flow • opening and closing balances.
1.3.4 Sources of business finance	Sources of finance for a start-up or established small business: • short-term sources: overdraft and trade credit • long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding.

Topic 1.4 Making the business effective

Subject content	What students need to learn:
1.4.1 The options for start-up and small businesses	The concept of limited liability: • limited and unlimited liability • the implications for the business owner(s) of limited and unlimited liability. The types of business ownership for start-ups: • sole trader, partnership, private limited company • the advantages and disadvantages of each type of business ownership. The option of starting up and running a franchise operation: • the advantages and disadvantages of franchising.
1.4.2 Business location	Factors influencing business location: • proximity to: market, labour, materials and competitors • nature of the business activity • the impact of the internet on location decisions: e-commerce and/or fixed premises.
1.4.3 The marketing mix	What the marketing mix is and the importance of each element: • price, product, promotion, place. How the elements of the marketing mix work together: • balancing the marketing mix based on the competitive environment • the impact of changing consumer needs on the marketing mix • the impact of technology on the marketing mix: e-commerce, digital communication.
1.4.4 Business plans	The role and importance of a business plan: • to identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix. The purpose of planning business activity: • the role and importance of a business plan in minimising risk and obtaining finance.

Topic 1.5 Understanding external influences on business

Subject content	What students need to learn:
1.5.1 Business stakeholders	Who business stakeholders are and their different objectives: • shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government. Stakeholders and businesses: • how stakeholders are affected by business activity • how stakeholders impact business activity • possible conflicts between stakeholder groups.
1.5.2 Technology and business	Different types of technology used by business: • e-commerce • social media • digital communication • payment systems. How technology influences business activity in terms of: • sales • costs • marketing mix.
1.5.3 Legislation and business	The purpose of legislation: • principles of consumer law: quality and consumer rights • principles of employment law: recruitment, pay, discrimination and health and safety. The impact of legislation on businesses: • cost • consequences of meeting and not meeting these obligations.
1.5.4 The economy and business	The impact of the economic climate on businesses: • unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates.
1.5.5 External influences	The importance of external influences on business: • possible responses by the business to changes in: technology, legislation, the economic climate.

Assessment information

- First assessment: May/June 2019.
- The assessment is 1 hour and 45 minutes.
- The assessment is out of 90 marks.
- Questions will relate to the content that appears in Theme 1 and students may draw on underpinning knowledge and understanding developed through Theme 2 as appropriate.
- The paper is divided into three sections.
  - Section A: 35 marks
  - Section B: 30 marks
  - Section C: 25 marks.
- Students must answer all questions.
- The paper will consist of calculations, multiple–choice, short–answer and extended–writing questions.
- The paper will include questions that target mathematics at a minimum of Key Stage 3 level.
- Questions in Sections B and C will be based on business contexts given in a Source Booklet.
- Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

Synoptic assessment

The subject content has been organised into themes according to business contexts to ensure a holistic approach is adopted throughout the course of study. This develops students' understanding of the interdependent nature of business activity, business operations, finance, marketing and human resources as well as external influences within a business context. It also supports students in applying their knowledge and understanding of how these interdependencies underpin business decision making.

Both themes in the subject content represent this holistic approach through the application to different business contexts. This approach allows students to draw on knowledge and understanding from across their course of study as appropriate in any question on either paper. It also provides the basis for contextualised responses which is a key business skill.

Sample assessment materials

A sample paper and mark scheme for this paper can be found in the *Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business Sample Assessment Materials (SAMs)* document.

Command words and definitions of business terms that will be used in the examination paper can be found in *Appendix 1: Command word taxonomy and definitions of business terms.*

Theme 2: Building a business

Overview

Theme 2 examines how a business develops beyond the start-up phase. It focuses on the key business concepts, issues and decisions used to grow a business, with emphasis on aspects of marketing, operations, finance and human resources. Theme 2 also considers the impact of the wider world on the decisions a business makes as it grows.

In this theme, students will be introduced to national and global business contexts and will develop an understanding of how these contexts impact business behaviour and decisions. National contexts build on those in Theme 1 and relate to businesses operating in more than one location or across the UK. Global contexts relate to non-UK or transnational businesses.

Students must develop an understanding of the interdependent nature of business activity through interactions between business operations, finance, marketing and human resources, as well as the relationship between the business and the environment in which it operates. Students must understand how these functional areas influence business activity and how interdependencies and relationships between them underpin business decisions. Teaching approaches to the content must reflect this.

Content

Theme 2 comprises five topic areas.

- Topic 2.1 Growing the business – students are introduced to methods of growth and how and why business aims and objectives change as businesses evolve. The impact of globalisation and the ethical and environmental questions facing businesses are explored.
- Topic 2.2 Making marketing decisions – students will explore how each element of the marketing mix is managed and used to inform and make business decisions in a competitive marketplace.
- Topic 2.3 Making operational decisions – this topic focuses on meeting customer needs through the design, supply, quality and sales decisions a business makes.
- Topic 2.4 Making financial decisions – students will explore the tools a business has to support financial decision making, including ratio analysis and the use and limitation of a range of financial information.
- Topic 2.5 Making human resource decisions – growing a business means that decisions relating to organisational structure, recruitment, training and motivation need to be made to influence business activity. These aspects are considered in this final topic.

Quantitative Skills

Students must draw on their knowledge and understanding of Theme 2 topics to apply a range of quantitative skills relevant to business contexts. This includes calculations and the interpretation, use and limitation of quantitative and qualitative data in business contexts to support, inform and justify business decisions. These will be embedded within the examination for this qualification. Please see *Appendix 2: Quantitative Skills* for full details of quantitative skills and how they are applied within this qualification. Formulae for use in this qualification can be found in *Appendix 3: Formulae*. Formulae will not be provided in the examinations. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

Topic 2.1 Growing the business

Subject content	What students need to learn:
2.1.1 Business growth	Methods of business growth and their impact: • internal (organic) growth: new products (innovation, research and development), new markets (through changing the marketing mix or taking advantage of technology and/or expanding overseas) • external (inorganic) growth: merger, takeover. The types of business ownership for growing businesses: • public limited company (plc) Sources of finance for growing and established businesses: • internal sources: retained profit, selling assets • external sources: loan capital, share capital, including stock market flotation (public limited companies).
2.1.2 Changes in business aims and objectives	Why business aims and objectives change as businesses evolve: • in response to: market conditions, technology, performance, legislation, internal reasons. How business aims and objectives change as businesses evolve: • focus on survival or growth • entering or exiting markets • growing or reducing the workforce • increasing or decreasing product range.
2.1.3 Business and globalisation	The impact of globalisation on businesses: • imports: competition from overseas, buying from overseas • exports: selling to overseas markets • changing business locations • multinationals. Barriers to international trade: • tariffs • trade blocs. How businesses compete internationally: • the use of the internet and e-commerce • changing the marketing mix to compete internationally.

Subject content	What students need to learn:
2.1.4 Ethics, the environment and business	The impact of ethical and environmental considerations on businesses: • how ethical considerations influence business activity: possible trade-offs between ethics and profit • how environmental considerations influence business activity: possible trade-offs between the environment, sustainability and profit • the potential impact of pressure group activity on the marketing mix.

Topic 2.2 Making marketing decisions

Subject content	What students need to learn:
2.2.1 Product	The design mix: • function, aesthetics, cost. The product life cycle: • the phases of the product life cycle • extension strategies. The importance to a business of differentiating a product/ service.
2.2.2 Price	Price • pricing strategies • influences on pricing strategies: technology, competition, market segments, product life cycle.
2.2.3 Promotion	Promotion: • appropriate promotion strategies for different market segments: advertising, sponsorship, product trials, special offers, branding • the use of technology in promotion: targeted advertising online, viral advertising via social media, e-newsletters.
2.2.4 Place	Place: • methods of distribution: retailers and e-tailers (e-commerce).
2.2.5 Using the marketing mix to make business decisions	How each element of the marketing mix can influence other elements. Using the marketing mix to build competitive advantage. How an integrated marketing mix can influence competitive advantage.

Topic 2.3 Making operational decisions

Subject content	What students need to learn:
2.3.1 Business operations	The purpose of business operations: • to produce goods • to provide services. Production processes: • different types: job, batch, flow • the impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices. Impacts of technology on production: • balancing cost, productivity, quality and flexibility.
2.3.2 Working with suppliers	Managing stock: • interpretation of bar gate stock graphs • the use of just in time (JIT) stock control. The role of procurement: • relationships with suppliers: quality, delivery (cost, speed, reliability), availability, cost, trust • the impact of logistics and supply decisions on: costs, reputation, customer satisfaction.
2.3.3 Managing quality	The concept of quality and its importance in: • the production of goods and the provision of services: quality control and quality assurance • allowing a business to control costs and gain a competitive advantage.
2.3.4 The sales process	The sales process: • product knowledge, speed and efficiency of service, customer engagement, responses to customer feedback, post-sales service. The importance to businesses of providing good customer service.

Topic 2.4 Making financial decisions

Subject content	What students need to learn:
2.4.1 Business calculations	The concept and calculation of: • gross profit • net profit Calculation and interpretation of: • gross profit margin • net profit margin • average rate of return.
2.4.2 Understanding business performance	The use and interpretation of quantitative business data to support, inform and justify business decisions: • information from graphs and charts • financial data • marketing data • market data. The use and limitations of financial information in: • understanding business performance • making business decisions.

Topic 2.5 Making human resource decisions

Subject content	What students need to learn:
2.5.1 Organisational structures	Different organisational structures and when each are appropriate: • hierarchical and flat • centralised and decentralised. The importance of effective communication: • the impact of insufficient or excessive communication on efficiency and motivation • barriers to effective communication. Different ways of working: • part-time, full-time and flexible hours • permanent, temporary, and freelance contracts • the impact of technology on ways of working: efficiency, remote working.
2.5.2 Effective recruitment	Different job roles and responsibilities: • key job roles and their responsibilities: directors, senior managers, supervisors/team leaders, operational and support staff. How businesses recruit people: • documents: person specification and job description, application form, CV • recruitment methods used to meet different business needs (internal and external recruitment).
2.5.3 Effective training and development	How businesses train and develop employees: • different ways of training and developing employees: formal and informal training, self-learning, ongoing training for all employees, use of target setting and performance reviews. Why businesses train and develop employees: • the link between training, motivation and retention • retraining to use new technology.
2.5.4 Motivation	The importance of motivation in the workplace: • attracting employees, retaining employees, productivity. How businesses motivate employees: • financial methods: remuneration, bonus, commission, promotion, fringe benefits • non-financial methods: job rotation, job enrichment, autonomy.

Assessment information

- First assessment: May/June 2019.
- The assessment is 1 hour and 45 minutes.
- The assessment is out of 90 marks.
- Questions will relate to the content that appears in Theme 2 and students may draw on underpinning knowledge and understanding developed through Theme 1 as appropriate.
- The paper is divided into three sections.
  - Section A: 35 marks
  - Section B: 30 marks
  - Section C: 25 marks.
- Students must answer all questions.
- The paper will consist of calculations, multiple–choice, short–answer and extended–writing questions.
- The paper will include questions that target mathematics at a minimum of Key Stage 3 level.
- Questions in Sections B and C will be based on business contexts given in a Source Booklet.
- Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in *Appendix 4: Calculators*.

Synoptic assessment

The subject content has been organised into themes according to business contexts to ensure a holistic approach is adopted throughout the course of study. This develops students' understanding of the interdependent nature of business activity, business operations, finance, marketing and human resources as well as external influences within a business context. It also supports students in applying their knowledge and understanding of how these interdependencies underpin business decision making.

Both themes in the subject content represent this holistic approach through the application to different business contexts. This approach allows students to draw on knowledge and understanding from across their course of study as appropriate in any question on either paper. It also provides the basis for contextualised responses which is a key business skill.

Sample assessment materials

A sample paper and mark scheme for this paper can be found in the *Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business Sample Assessment Materials (SAMs)* document.

Command words and definitions of business terms that will be used in the examination paper can be found in *Appendix 1: Command word taxonomy and definitions of business terms.*

Assessment Objectives

Students must:		% in GCSE
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 contexts	35
AO3	Analyse and evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions	30
	Total	**100%**

Breakdown of Assessment Objectives

Paper	Assessment Objectives			Total for all Assessment Objectives
	AO1 %	AO2 %	AO3 %	
Paper 1	17.2	17.8	15	50%
Paper 2	17.8	17.2	15	50%
Total for GCSE	**35%**	**35%**	**30%**	**100%**

NB: totals have been rounded either up or down to one decimal point.

3 Administration and general information

Entries

Details of how to enter students for the examinations for this qualification can be found in our *UK Information Manual*. A copy is made available to all examinations officers and is available on our website: qualifications.pearson.com

Discount code and performance tables

Centres should be aware that students who enter for more than one GCSE, or other Level 2 qualifications with the same discount code, will have only the grade for their 'first entry' counted for the purpose of the school and college performance tables (please see *Appendix 7: Codes*). For further information about what constitutes 'first entry' and full details of how this policy is applied, please refer to the DfE website: www.gov.uk/government/organisations/department-for-education

Students should be advised that if they take two GCSEs with the same discount code, the schools and colleges to which they wish to progress are likely to take the view that this achievement is equivalent to only one GCSE. The same view may be taken if students take two GCSEs or other Level 2 qualifications that have different discount codes but which have significant overlap of content. Before embarking on their programmes, students or their advisers who have any doubts about their subject combinations should check with the institution to which they wish to progress.

Access arrangements, reasonable adjustments, special consideration and malpractice

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

We are committed to making sure that:

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

Language of assessment

Assessment of this qualification will be available in English. All student work must be in English.

Access arrangements

Access arrangements are agreed before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual student with a disability, without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with the duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students will then know what is available and have the access arrangement(s) in place for assessment.

Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a person with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular person may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, including:

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

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, or affects timeframes or the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

Special consideration

Special consideration is a post-examination adjustment to a student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination/ assessment, which has had, or is reasonably likely to have had, a material effect on a candidate's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information

Please see our website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration, please refer to the JCQ website: www.jcq.org.uk.

Malpractice

Candidate malpractice

Candidate malpractice refers to any act by a candidate that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in examinations **must** be reported to Pearson using a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice). The form should be emailed to candidatemalpractice@pearson.com. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or centre malpractice.

Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration **must** be reported immediately, before any investigation is undertaken by the centre, to Pearson on a *JCQ Form M2(a)* (available at www.jcq.org.uk/exams-office/malpractice). The form, supporting documentation and as much information should be emailed to pqsmalpractice@pearson.com. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice itself constitutes malpractice.

More detailed guidance on malpractice can be found in the latest version of the document *General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments Policies and Procedures,* available at www.jcq.org.uk/exams-office/malpractice.

Awarding and reporting

This qualification will be graded, awarded and certificated to comply with the requirements of Ofqual's General Conditions of Recognition.

This GCSE qualification will be graded and certificated on a nine-grade scale from 9 to 1 using the total subject mark where 9 is the highest grade. Individual papers are not graded.

Students whose level of achievement is below the minimum judged by Pearson to be of sufficient standard to be recorded on a certificate will receive an unclassified U result.

The first certification opportunity for this qualification will be 2019.

Student recruitment and progression

Pearson follows the JCQ policy concerning recruitment to our qualifications in that:

- they must be available to anyone who is capable of reaching the required standard
- they must be free from barriers that restrict access and progression
- equal opportunities exist for all students.

Prior learning and other requirements

There are no prior learning or other requirements for this qualification.

Progression

This qualification in business will:

- enable students to understand more about the business world
- motivate and challenge students, and prepare them to make informed decisions about further study and career pathways.

Students can progress from this qualification to a number of different academic and vocational qualifications at Level 3, including GCEs in Business, History, Geography, Economics and Psychology and BTEC Nationals in Business.

The knowledge and skills gained from GCSE Business support students' entry into employment or other training in specific aspects of business, such as apprenticeships and vocational qualifications which focus on more specialised business areas.

GCSE Business provides a strong foundation for employment, with students progressing, with further training, to a wide range of careers training such as banking, sales, product management and general management.

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Appendix 1: Command word taxonomy and definitions of business terms

Command word taxonomy

The table below lists the command words that may be used in question papers for GCSE Business and an outline of what each type of question requires students to do.

Command word	This type of question will require students to:
Multiple choice question	select one or more correct answer from a choice of answers. These questions test recall of knowledge from the specification content
Define	define a term from the specification content
Give	give an answer testing recall of knowledge from the specification content
State	give an answer, no longer than a sentence, referring to a piece of contextual information from which students must select the answer
Identify	select the correct answer from reading a graph or table of data
Calculate	use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given
Complete the table	work out the values missing from the presented table of data
Outline	give two linked points about a business concept or issue, placed in context in the question
Explain	give a statement of fact, with two further expansion points. These may expand on each other, or both from the same fact. There is no context in these questions
Discuss	write an extended answer, requiring expansion and exploration of a business concept or issue. These questions will not have context but students may bring one in for illustration purposes
Analyse	write an extended answer, requiring expansion and exploration of a business concept or issue. The answer will be placed in context by the question
Justify	write an extended answer, using information provided in order to recommend one of two options to a business owner
Evaluate	write an extended answer, using knowledge of specification content to reach a supported conclusion about a business situation.

Examples of how these command words are used in Paper 1 and Paper 2 can be found in the *Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business Sample Assessment Materials* for this qualification.

Below are definitions of key business terms that have been used in the mark schemes for this qualification, to show how they are being used in the context of GCSE Business.

Concepts

Concepts are business models or ideas that relate to business activity, influences on business, business operations, finance, marketing and human resources.

Issues

Issues in the context of this this qualification means any external or internal event which will impinge on the environment of an organisation. They are aspects of subject content, and may include causes and consequences – that is internal and external changes and the results of these, problems, and/or opportunities.

Business information

Business information is qualitative or quantitative information that relates to business, either directly or indirectly. It could include, but is not limited to, financial data, marketing data or market data or any other internal or external information that may have a bearing on business activity.

Full descriptions of the skills required to access the Assessment Objectives can be found in the *Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business Sample Assessment Materials* for this qualification.

Appendix 2: Quantitative skills

The list below states the range and extent of mathematical skills that students are required to know for this qualification. Students must be able to draw on the knowledge and understanding learned from the subject content to apply these skills to relevant business contexts.

This list is taken from the document *Business GCSE subject content* published by the Department for Education (DfE) in December 2015.

The minimum level of mathematics in the question papers will be equivalent to Key Stage 3 mathematics.

Calculation

Calculations in a business context, including:

- percentages and percentage changes
- averages
- revenue, costs and profit
- gross profit margin and net profit margin ratios
- average rate of return
- cash-flow forecasts, including total costs, total revenue and net cash flow.

Interpretation

Interpretation and use of quantitative data in business contexts to support, inform and justify business decisions, including:

- information from graphs and charts
- profitability ratios (gross profit margin and net profit margin)
- financial data, including profit and loss, average rate of return and cash-flow forecasts
- marketing data, including market research data
- market data, including market share, changes in costs and changes in prices.

These quantitative skills will be assessed in both Papers 1 and Paper 2, totalling 10% of the marks available for the qualification. Questions involving quantitative skills will always be in a business context.

These skills will be sampled in the question papers but all will be covered over the lifetime of the qualification. Examples of questions rewarding quantitative skills are Paper 1 Q3(b) and Paper 2 Q5(a) in the *Pearson Edexcel Level 1/Level 2 GCSE (9–1) in Business Sample Assessment Materials (SAMs).*

Appendix 3: Formulae

The list below gives formulae for use in this qualification. Formulae will not be provided in the examinations for Paper 1 or Paper 2.

Total costs

TC (total cost) = TFC (total fixed costs) + TVC (total variable costs)

Revenue

Revenue = price × quantity

Break even

$$\text{Break even point in units} = \frac{\text{fixed cost}}{(\text{sales price} - \text{variable cost})}$$

Break even point in costs / revenue = break even point in units × sales price

Margin of safety

Margin of safety = actual or budgeted sales – break even sales

Interest (on loans)

$$\text{Interest (on loans) in \%} = \frac{\text{total repayment} - \text{borrowed amount}}{\text{borrowed amount}} \times 100$$

Net cash-flow

Net cash-flow = cash inflows – cash outflows in a given period

Opening and closing balances

Opening balance = closing balance of the previous period

Closing balance = opening balance + net cash-flow

Gross profit

Gross profit = sales revenue – cost of sales

Gross profit margin

$$\text{Gross profit margin (\%)} = \frac{\text{gross profit}}{\text{sales revenue}} \times 100$$

Net profit

Net profit = gross profit – other operating expenses and interest

Net profit margin

$$\text{Net profit margin (\%)} = \frac{\text{net profit}}{\text{sales revenue}} \times 100$$

Average rate of return

$$\text{Average rate of return (\%)} = \frac{\text{average annual profit (total profit / no. of years)}}{\text{cost of investment}} \times 100$$

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Appendix 4: Calculators

Students may use a calculator in assessments for this qualification. Centres are responsible for making sure that calculators used by their students meet the requirements highlighted in the table below.

Students must be familiar with the requirements before their assessments for this qualification.

<table>
<tr>
<td>Calculators must be:
of a size suitable for use on a desk
either battery or solar powered
free of lids, cases and covers that have printed instructions or formulae.</td>
<td rowspan="2">Calculators must not:
be designed or adapted to offer any of these facilities:
language translators
symbolic algebraic manipulation
symbolic differentiation or integration
communication with other machines or the internet
be borrowed from another candidate during an examination for any reason*
have retrievable information stored in them. This includes:
databanks
dictionaries
mathematical formulae
text.</td>
</tr>
<tr>
<td>The candidate is responsible for the following:
the calculator’s power supply
the calculator’s working condition
clearing anything stored in the calculator.</td>
</tr>
</table>

*An invigilator may give a student a replacement calculator.

Further information can be found in the JCQ documents *Instructions for conducting examinations* and *Information for candidates for written examinations*, available at www.jcq.org.uk/exams-office.

Appendix 5: The context for the development of this qualification

All our qualifications are designed to meet our World Class Qualification Principles[1] and our ambition to put the student at the heart of everything we do.

We have developed and designed this qualification by:

- reviewing other curricula and qualifications to ensure that it is comparable with those taken in high-performing jurisdictions overseas
- consulting with key stakeholders on content and assessment, including learned bodies, subject associations, higher-education academics, teachers and employers to ensure this qualification is suitable for a UK context
- reviewing the legacy qualification and building on its positive attributes.

This qualification has also been developed to meet criteria stipulated by Ofqual in their documents *GCSE (9 to 1) Qualification Level Conditions and Requirements* and *GCSE Subject Level Conditions and Requirements for Business*, published in March 2016.

[1] Pearson's World Class Qualification Principles ensure that our qualifications are:

- **demanding**, through internationally benchmarked standards, encouraging deep learning and measuring higher-order skills
- **rigorous**, through setting and maintaining standards over time, developing reliable and valid assessment tasks and processes, and generating confidence in end users of the knowledge, skills and competencies of certified students
- **inclusive**, through conceptualising learning as continuous, recognising that students develop at different rates and have different learning needs, and focusing on progression
- **empowering**, through promoting the development of transferable skills, see *Appendix 6*.

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From Pearson's Expert Panel for World Class Qualifications

May 2014

" The reform of the qualifications system in England is a profoundly important change to the education system. Teachers need to know that the new qualifications will assist them in helping their learners make progress in their lives.

When these changes were first proposed we were approached by Pearson to join an 'Expert Panel' that would advise them on the development of the new qualifications.

We were chosen, either because of our expertise in the UK education system, or because of our experience in reforming qualifications in other systems around the world as diverse as Singapore, Hong Kong, Australia and a number of countries across Europe.

We have guided Pearson through what we judge to be a rigorous qualification development process that has included:

- extensive international comparability of subject content against the highest-performing jurisdictions in the world
- benchmarking assessments against UK and overseas providers to ensure that they are at the right level of demand
- establishing External Subject Advisory Groups, drawing on independent subject-specific expertise to challenge and validate our qualifications
- subjecting the final qualifications to scrutiny against the DfE content and Ofqual accreditation criteria in advance of submission.

Importantly, we have worked to ensure that the content and learning is future oriented. The design has been guided by what is called an 'Efficacy Framework', meaning learner outcomes have been at the heart of this development throughout.

We understand that ultimately it is excellent teaching that is the key factor to a learner's success in education. As a result of our work as a panel we are confident that we have supported the development of qualifications that are outstanding for their coherence, thoroughness and attention to detail and can be regarded as representing world-class best practice. "

Sir Michael Barber (Chair)

Chief Education Advisor, Pearson plc

Bahram Bekhradnia

President, Higher Education Policy Institute

Dame Sally Coates

Principal, Burlington Danes Academy

Professor Robin Coningham

Pro-Vice Chancellor, University of Durham

Dr Peter Hill

Former Chief Executive ACARA

Professor Lee Sing Kong

Director, National Institute of Education, Singapore

Professor Jonathan Osborne

Stanford University

Professor Dr Ursula Renold

Federal Institute of Technology, Switzerland

Professor Bob Schwartz

Harvard Graduate School of Education

All titles correct as at May 2014

Appendix 6: Transferable skills

The need for transferable skills

In recent years, higher education institutions and employers have consistently flagged the need for students to develop a range of transferable skills to enable them to respond with confidence to the demands of undergraduate study and the world of work.

The Organisation for Economic Co-operation and Development (OECD) defines skills, or competencies, as 'the bundle of knowledge, attributes and capacities that can be learned and that enable individuals to successfully and consistently perform an activity or task and can be built upon and extended through learning.' [1]

To support the design of our qualifications, the Pearson Research Team selected and evaluated seven global 21st-century skills frameworks. Following on from this process, we identified the National Research Council's (NRC) framework as the most evidence-based and robust skills framework. We adapted the framework slightly to include the Program for International Student Assessment (PISA) ICT Literacy and Collaborative Problem Solving (CPS) Skills.

The adapted National Research Council's framework of skills involves: [2]

Cognitive skills

- **Non-routine problem solving** – expert thinking, metacognition, creativity.
- **Systems thinking** – decision making and reasoning.
- **Critical thinking** – definitions of critical thinking are broad and usually involve general cognitive skills such as analysing, synthesising and reasoning skills.
- **ICT literacy** – access, manage, integrate, evaluate, construct and communicate. [3]

Interpersonal skills

- **Communication** – active listening, oral communication, written communication, assertive communication and non-verbal communication.
- **Relationship-building skills** – teamwork, trust, intercultural sensitivity, service orientation, self-presentation, social influence, conflict resolution and negotiation.
- **Collaborative problem solving** – establishing and maintaining shared understanding, taking appropriate action, establishing and maintaining team organisation.

Intrapersonal skills

- **Adaptability** – ability and willingness to cope with the uncertain, handling work stress, adapting to different personalities, communication styles and cultures, and physical adaptability to various indoor and outdoor work environments.
- **Self-management and self-development** – ability to work remotely in virtual teams, work autonomously, be self-motivating and self-monitoring, willing and able to acquire new information and skills related to work.

Transferable skills enable young people to face the demands of further and higher education, as well as the demands of the workplace, and are important in the teaching and learning of this qualification. We will provide teaching and learning materials, developed with stakeholders, to support our qualifications.

---

[1] OECD – *Better Skills, Better Jobs, Better Lives* (OECD Publishing, 2012)

[2] Koenig J A, National Research Council – *Assessing 21st Century Skills: Summary of a Workshop* (National Academies Press, 2011)

[3] PISA – *The PISA Framework for Assessment of ICT Literacy* (2011)

Appendix 7: Codes

Type of code	Use of code	Code
Discount codes	Every qualification eligible for performance tables is assigned a discount code indicating the subject area to which it belongs. Discount codes are published by the DfE.	Please see the GOV.UK website*
Regulated Qualifications Framework (RQF) codes	Each qualification title is allocated an Ofqual Regulated Qualifications Framework (RQF) code. The RQF code is known as a Qualification Number (QN). This is the code that features in the DfE Section 96 and on the LARA as being eligible for 16–18 and 19+ funding, and is to be used for all qualification funding purposes. The QN will appear on students' final certification documentation.	The QN for this qualification is: 603/0121/1
Subject codes	The subject code is used by centres to enter students for a qualification. Centres will need to use the entry codes only when claiming students' qualifications.	GCSE – 1BS0
Paper codes	These codes are provided for reference purposes. Students do not need to be entered for individual papers.	Paper 1: 1BS0/01 Paper 2: 1BS0/02

* https://www.gov.uk/government/publications/key-stage-4-qualifications-discount-codes-and-point-scores

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Edexcel, BTEC and LCCI qualifications

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