

OXFORD

INTERNATIONAL  
AQA EXAMINATIONS

# INTERNATIONAL AS AND A-LEVEL BUSINESS

(9625)

Specification



For teaching from: September 2018 onwards

For International AS exams June 2019 onwards

For International A-level exams June 2020 onwards

For teaching and examination outside the United Kingdom of Great Britain and Northern Ireland

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## ARE YOU USING THE LATEST VERSION OF THIS SPECIFICATION?

- You will always find the most up-to-date version of this specification on our website at [oxfordaqaexams.org.uk/business](https://oxfordaqaexams.org.uk/business)
- We will write to you if there are significant changes to the specification.

# 1 INTRODUCTION

## 1.1 WHY CHOOSE OXFORD INTERNATIONAL AQA EXAMINATIONS FOR INTERNATIONAL AS AND A-LEVELS?

Our new international qualifications enable schools that follow a British curriculum to benefit from the best education expertise in the United Kingdom (UK).

Our International AS and A-levels offer the same rigour and high quality as AS and A-levels in the UK and are relevant and appealing to students worldwide. They reflect a deep understanding of the needs of teachers and schools around the globe and are brought to you by Oxford University Press and AQA, the UK's leading awarding body.

Providing valid and reliable assessments, these qualifications are based on over 100 years of experience, academic research and international best practice. They have been independently validated as being to the same standard as the qualifications accredited by the UK examinations regulator, Ofqual. They reflect the latest changes to the British system, enabling students to progress to higher education with up-to-date qualifications.

You can find out about Oxford International AQA Examinations at [oxfordaqaexams.org.uk](https://oxfordaqaexams.org.uk)

## 1.2 WHY CHOOSE OXFORD AQA INTERNATIONAL AS AND A-LEVEL BUSINESS?

We have worked closely with teachers, employers and higher education institutions to develop a relevant, engaging and up-to-date business specification to inspire, challenge and motivate every student no matter what their level of ability.

Our content is designed to engage students through topics and issues that are relevant in today's society. Students will study key contemporary developments, such as, digital technology and business ethics, and globalisation. Wherever possible, we use real-life case studies to make it easier for students to relate to and apply their knowledge and skills developed throughout the course.

Offering clear progression from International GCSE, these courses allow students to build on the skills and knowledge already gained and prepare for their next steps.

The variety of assessment styles used, including multiple choice, short answer, data response, essay and case studies allows students to develop a wide range of skills such as the ability to analyse data, think critically about issues and make informed decisions, which are valuable for both further study and future employment.

You can find out more about our International AS and A-level Business qualifications at [oxfordaqaexams.org.uk/business](https://oxfordaqaexams.org.uk/business)

## 1.3 RECOGNITION

Oxford International AQA Examinations meet the needs of international students. All examinations are sat in line with local time zones. They are an international alternative and comparable in standard to the Ofqual regulated qualifications offered in the UK.

Our qualifications have been independently benchmarked by UK NARIC, the UK national agency for providing expert opinion on qualifications worldwide. They have confirmed they can be considered 'comparable to the overall GCE A-level and GCSE standard offered in the UK'. Read their report at [oxfordaqaexams.org.uk/recognition](https://oxfordaqaexams.org.uk/recognition)

To see the latest list of universities who have stated they accept these international qualifications, visit [oxfordaqaexams.org.uk/recognition](https://oxfordaqaexams.org.uk/recognition)

## 1.4 SUPPORT AND RESOURCES TO HELP YOU TEACH

We know that support and resources are vital for your teaching and that you have limited time to find or develop good quality materials. That's why we've worked with experienced teachers to provide you with resources that will help you confidently plan, teach and prepare for exams.

### TEACHING RESOURCES

You will have access to:

- sample schemes of work to help you plan your course with confidence
- teacher guidance notes to give you the essential information you need to deliver the specification
- training courses to help you deliver our qualifications
- student textbooks that have been checked and approved by us
- engaging worksheets and activities developed by teachers, for teachers
- command words with exemplars
- glossary of terms
- business vocabulary with definitions.

### PREPARING FOR EXAMS

You will have access to the support you need to prepare for our exams, including:

- specimen papers and mark schemes
- exemplar student answers with examiner commentaries
- a searchable bank of past AQA exam questions mapped to these new international qualifications.

## ANALYSE YOUR STUDENTS' RESULTS WITH ENHANCED RESULTS ANALYSIS (ERA)

After the first examination series, you can use this tool to see which questions were the most challenging, how the results compare to previous years' and where your students need to improve. ERA, our free online results analysis tool, will help you see where to focus your teaching.

Information about results, including maintaining standards over time, grade boundaries and our post-results services, will be available on our website in preparation for the first examination series.

## HELP AND SUPPORT

Visit our website for information, guidance, support and resources at [oxfordaqaexams.org.uk/business](https://oxfordaqaexams.org.uk/business)

You can contact the subject team directly at [business@oxfordaqaexams.org.uk](mailto:business@oxfordaqaexams.org.uk)

**Please note: We aim to respond to all email enquiries within two working days.**

**Our UK office hours are Monday to Friday, 8am – 5pm local time.**

## 2 SPECIFICATION AT A GLANCE

The titles of the qualifications are:

- Oxford AQA International Advanced Subsidiary Business.
- Oxford AQA International Advanced Level Business.

These qualifications are modular. The full International A-level is intended to be taken over two years. The specification content for the International AS is half that of an International A-level. The International AS can be taken as a stand-alone qualification or can be used to count towards the International A-level. Students can take the International AS in the first year and then take the International A2 in the second year to complete the International A-level or they can take all the units together in the same examination series at the end of the course.

The International AS content will be 50% of the International A-level content but International AS assessments will contribute 40% of the total marks for the full International A-level qualification with the remaining 60% coming from the International A2 assessments.

The guided learning hours (GLH) for an Oxford AQA International Advanced Subsidiary is 180.

The guided learning hours (GLH) for an Oxford AQA International Advanced Level is 360.

These figures are for guidance only and may vary according to local practice and the learner's prior experience of the subject.

### 2.1 SUBJECT CONTENT

- 1 Business and markets (page 11)
- 2 Managing operations, human resources and finance (page 17)
- 3 Business strategy and business decision making (page 24)

## 2.2 INTERNATIONAL AS ASSESSMENTS

Unit 1: Business and markets	+	Unit 2: Managing operations, human resources and finance
<p><b>What's assessed</b></p> <p>Any content from section 3.1 Business and markets.</p>		<p><b>What's assessed</b></p> <p>Any content from section 3.2 Managing operations, human resources and finance.</p>
<p><b>How it's assessed</b></p> <p>Written exam: 1 hour 30 minutes</p> <p>80 marks</p> <p>50% of International AS</p> <p>20% of International A-level</p>		<p><b>How it's assessed</b></p> <p>Written exam: 1 hour 30 minutes</p> <p>80 marks</p> <p>50% of International AS</p> <p>20% of International A-level</p>
<p><b>Questions</b></p> <p>Three compulsory sections:</p> <p>Section A has multiple choice, short answer and data response questions worth approximately 17 marks.</p> <p>Section B has extended response questions worth approximately 27 marks.</p> <p>Section C has extended response questions worth approximately 36 marks.</p>		<p><b>Questions</b></p> <p>Three compulsory sections:</p> <p>Section A has multiple choice, short answer and data response questions worth approximately 17 marks.</p> <p>Section B has extended response questions worth approximately 27 marks.</p> <p>Section C has extended response questions worth approximately 36 marks.</p>

## 2.3 INTERNATIONAL A2

### ASSESSMENTS

Unit 3: Business strategy	+	Unit 4: Business decision making
<p><b>What's assessed</b></p> <p>Any content from section 3.3 Business strategy and business decision making.</p>		<p><b>What's assessed</b></p> <p>Any content from section 3.3 Business strategy and business decision making.</p>
<p><b>How it's assessed</b></p> <p>Written exam: 1 hour 45 minutes</p> <p>80 marks</p> <p>30% of International A-level</p>		<p><b>How it's assessed</b></p> <p>Written exam: 1 hour 45 minutes</p> <p>80 marks</p> <p>30% of International A-level</p>
<p><b>Questions</b></p> <p>Two compulsory sections:</p> <p>Section A has one case study followed by four or five short answer and extended response questions worth approximately 40 marks.</p> <p>Section B has one case study followed by four or five short answer and extended response questions worth approximately 40 marks.</p>		<p><b>Questions</b></p> <p>Two compulsory sections:</p> <p>Section A has extended response questions worth approximately 36 marks.</p> <p>Section B has one case study followed by short answer questions and a business report worth approximately 44 marks.</p>

## 3 SUBJECT CONTENT

When studying the subject, students may focus on businesses and the business environment in their own country, but should be aware that there may be differences between countries and that changes in the business environment in one country can affect businesses in another.

### 3.1 BUSINESS AND MARKETS

#### 3.1.1 WHAT IS BUSINESS?

##### 3.1.1.1 The nature and purpose of business

Content	Additional information
Key business terms and concepts	<p>Students should understand the meaning and significance of:</p> <ul style="list-style-type: none"> <li>• Inputs: land, labour, capital, enterprise.</li> <li>• The transformation process.</li> <li>• Outputs: goods and services.</li> <li>• Adding value.</li> <li>• Strategy and tactics.</li> <li>• Setting objectives.</li> <li>• Profit.</li> <li>• Opportunity cost.</li> <li>• Efficiency.</li> <li>• Competitiveness.</li> <li>• Risk.</li> <li>• Decision making (including constructing and interpreting basic decision trees and expected value and net gain calculations).</li> <li>• Ethical influences on decisions.</li> <li>• Owners and managers.</li> <li>• Business functions.</li> <li>• The role of managers.</li> <li>• Business plan.</li> <li>• Key performance indicators (KPIs).</li> <li>• Stakeholders.</li> <li>• Customers and consumers.</li> </ul>

Content	Additional information
Why businesses exist	Business objectives: profit, growth, survival, cash flow, personal, social and ethical objectives.
Entrepreneurs	<p>Motivation to set up in business.</p> <p>Characteristics of an entrepreneur.</p> <p>Identifying a business opportunity.</p> <p>Difficulties being an entrepreneur and starting up a business.</p> <p>How the business environment in a country influences the success of entrepreneurs and start-ups.</p> <p>Why and how governments might support entrepreneurs and business start-ups.</p> <p>Factors influencing the number and type of start-ups in an economy.</p> <p>Why many start-ups fail.</p>
Why business is important to an economy and society	<p>The impact of business (including start-ups) on an economy and society.</p> <p>The impact of business (including start-ups) on stakeholders such as customers, employees, community, government and suppliers and the economy as a whole.</p>

### 3.1.1.2 Types of business ownership

Content	Additional information
Reasons for choosing different types of business and for changing business type	<p>Different types of business:</p> <ul style="list-style-type: none"> <li>• sole traders</li> <li>• private limited companies and public limited companies</li> <li>• private sector and public sector organisations</li> <li>• non-profit organisations such as social enterprises and charities</li> <li>• co-operatives.</li> </ul> <p>Issues with types of business include:</p> <ul style="list-style-type: none"> <li>• differing objectives</li> <li>• sources of finance</li> <li>• distribution of profits</li> <li>• unlimited and limited liability.</li> </ul>

Content	Additional information
The nature of and influences on the business population in a country	<p>Primary, secondary and tertiary sector businesses.</p> <p>The advantages and disadvantages of:</p> <ul style="list-style-type: none"> <li>• family businesses</li> <li>• small and medium-sized enterprises (SMEs) and large businesses.</li> </ul>
Shareholders	<p>Ordinary share capital (equity).</p> <p>The role of shareholders and why they invest.</p> <p>Dividends and dividends per share, share price and dividend yield (including calculation).</p> <p>Influences on share price and the significance of share price changes.</p> <p>Market capitalisation.</p>

### 3.1.1.3 The external environment

Content	Additional information
Market conditions and how they can affect demand, business decisions and profits	<p>Degree of competition (number of businesses).</p> <p>Extents of barriers to entry into a market.</p> <p>Students should be able to calculate and interpret data relating to:</p> <ul style="list-style-type: none"> <li>• market size</li> <li>• market growth/decline</li> <li>• concentration ratio.</li> </ul>
How changes in the external environment can affect costs, demand, business decisions and profits	<p>The effect of changes in:</p> <ul style="list-style-type: none"> <li>• incomes</li> <li>• interest rates</li> <li>• exchange rates</li> <li>• costs of inputs</li> <li>• government policies</li> <li>• competition (including from abroad).</li> </ul>

## 3.1.2 MARKETING

### 3.1.2.1 Marketing objectives and plans

Content	Additional information
The importance of marketing	<p>How marketing decisions influence competitiveness.</p> <p>The interrelationship between marketing decisions and other functions.</p> <p>The impact of global business on marketing activities and the opportunities and challenges of international marketing.</p>
Marketing objectives	<p>Marketing objectives include:</p> <ul style="list-style-type: none"> <li>• sales volume and sales value</li> <li>• market share</li> <li>• customer retention and repeat sales</li> <li>• sales per product/employee/region/ store/ customer.</li> </ul> <p>Students should be able to undertake calculations and interpret data relating to these objectives.</p>
Value of and influences on marketing plans and marketing budgets	<p>Marketing plans to include:</p> <ul style="list-style-type: none"> <li>• marketing objectives</li> <li>• strategy</li> <li>• tactics</li> <li>• budget.</li> </ul>
External and internal influences on marketing planning, objectives and decisions	<p>Resources.</p> <p>Developments in technology (eg digital marketing and the use of social media, relationship marketing, dynamic pricing, e-commerce and m-commerce).</p> <p>Ethical influences.</p> <p>Influences of market conditions and domestic and international competition.</p>

### 3.1.2.2 Marketing data

Content	Additional information
The value of primary and secondary marketing research	<p>Marketing research should include:</p> <ul style="list-style-type: none"> <li>• qualitative and quantitative data</li> <li>• market mapping</li> <li>• sales forecasts</li> <li>• types of samples: random, stratified and quota</li> <li>• the value of sampling.</li> </ul> <p>Influences on choosing a form of marketing research:</p> <ul style="list-style-type: none"> <li>• cost</li> <li>• time required</li> <li>• reliability of findings.</li> </ul> <p>Students should understand the importance of a sales forecast and difficulties producing it.</p>
The interpretation and use of marketing data in marketing decision making and planning	<p>Interpretation of marketing data to include:</p> <ul style="list-style-type: none"> <li>• positive and negative correlation and an understanding of the strength of the relationship</li> <li>• understanding the concept of confidence levels and intervals (eg significance of a 95% confidence level)</li> <li>• big data and data mining.</li> </ul>

### 3.1.2.3 Segmentation, targeting and positioning

Content	Additional information
The process and value of segmentation, targeting and positioning	<p>Segmentation methods:</p> <ul style="list-style-type: none"> <li>• demographic</li> <li>• geographic</li> <li>• income</li> <li>• behavioural</li> <li>• psychographic.</li> </ul>
Influences on choosing a target market and positioning	Targeting includes niche and mass marketing.
International markets	The benefits and potential difficulties of targeting international markets.

**3.1.2.4 The marketing mix**

<b>Content</b>	<b>Additional information</b>
The elements of the marketing mix (7Ps)	<p>The marketing mix should be considered:</p> <ul style="list-style-type: none"> <li>• for goods and services, both industrial and consumer</li> <li>• in a business-to-business and business-to-consumer context</li> <li>• in national and international markets</li> <li>• in the context of e-commerce.</li> </ul> <p>The importance of and influences on an integrated marketing mix.</p>
Product	<p>Influences on and value of new product development.</p> <p>The implications of different stages of the product life cycle including extension strategies.</p> <p>The use of the Boston Matrix (including product categories of cash cows, stars, dogs, problem children).</p> <p>The value of branding, including own label brands.</p>
Pricing	<p>Influences on price(s).</p> <p>Pricing strategies: price skimming, price penetration and price discrimination.</p> <p>Students should be able to:</p> <ul style="list-style-type: none"> <li>• interpret the price elasticity of demand data</li> <li>• analyse the impact of changes in price on revenue</li> <li>• assess the value of the concept of price elasticity of demand to business.</li> </ul>
The promotional mix	<p>Influences on the promotional mix.</p> <p>Promotional mix includes advertising, sales promotions, the sales force, public relations, exhibitions.</p>
Distribution (place)	<p>Influences on distribution.</p> <p>Distribution should include different channels of distribution (including online) and multi-channel distribution.</p>
Other elements of the marketing mix	<p>Influences on people, process and physical environment.</p>

## 3.2 MANAGING OPERATIONS, HUMAN RESOURCES AND FINANCE

### 3.2.1 OPERATIONAL PERFORMANCE

#### 3.2.1.1 Operations management

Content	Additional information
The importance of operations management	<p>How operations can affect the competitiveness of a business.</p> <p>The interrelationship between operational decisions and other functions.</p> <p>The impact of global business on operations activities and the opportunities and challenges of international operations.</p>
Operational objectives	<p>Operational objectives include:</p> <ul style="list-style-type: none"> <li>• total costs and unit costs</li> <li>• measures of quality</li> <li>• speed of response</li> <li>• flexibility</li> <li>• environmental objectives</li> <li>• customer satisfaction.</li> </ul> <p>Students should understand potential trade-offs in achieving these objectives, eg costs versus speed of response, and that objectives vary in different operational contexts.</p>
External and internal influences on operational plans, objectives and activities	<p>Resources.</p> <p>Developments in technology (eg more online businesses, better links with customers, suppliers and inventory control).</p> <p>Ethical and environmental influences.</p> <p>Market conditions and domestic and international competition.</p>

**3.2.1.2 Operations planning and data**

<b>Content</b>	<b>Additional information</b>
Operational planning	Operational plans, objectives and budgets.  Interpretation and use of operations data in operational planning.
Operations data	Students should be able to calculate and interpret: <ul style="list-style-type: none"> <li>• labour, land and capital productivity</li> <li>• sales per employee</li> <li>• unit costs (average costs)</li> <li>• capacity and capacity utilisation.</li> </ul> Students should be able to interpret data appropriate to the context of operations, eg waiting times or maximum number of passengers.

**3.2.1.3 Operations and competitiveness**

<b>Content</b>	<b>Additional information</b>
The importance of managing capacity	How to utilise capacity efficiently.
The importance of efficiency and productivity	Productivity of labour, land and capital.
Ways of increasing efficiency and productivity	
Difficulties of increasing efficiency and productivity	
The benefits and difficulties of lean production	Lean production should include Just in time operations, simultaneous engineering and Kaizen.
The value of customer service	
How to improve customer service	
The benefits and disadvantages of different mixes of resources	Labour and capital intensive processes.
How to measure quality	The importance of quality.  Methods of improving quality: quality control and total quality management (TQM).
The benefits and difficulties of improving quality	The consequences of poor quality.
Ways and value of improving flexibility and speed of response	

**3.2.1.4 Inventory and supply chain management**

<b>Content</b>	<b>Additional information</b>
Managing supply to match demand and the value of doing so	<p>Ways of managing supply to match demand (eg to cope with seasonal demand) include:</p> <ul style="list-style-type: none"> <li>• outsourcing</li> <li>• flexible labour, eg use of temporary, part-time, agency employees, zero hours contracts</li> <li>• producing to order.</li> </ul> <p>Problems of not matching supply to demand.</p>
Influences on the amount of inventory held	<p>Inventory control should include constructing and interpreting inventory control charts including:</p> <ul style="list-style-type: none"> <li>• lead time</li> <li>• re-order quantities and levels</li> <li>• buffer level of inventory.</li> </ul> <p>The value of effective inventory control.</p> <p>Just in time (JIT) versus Just in case (JIC) inventory control.</p>
Influences on the choice of suppliers	How the choice of suppliers has an impact on performance.
The importance of managing the supply chain effectively	Issues with managing supply chains (including global supply chains) effectively.
The importance of logistics	Value of effective logistics management.

## 3.2.2 HUMAN RESOURCES

### 3.2.2.1 Human resource objectives

Content	Additional information
The importance of managing human resources	<p>The interrelationship between human resource decisions and other functions.</p> <p>How human resource decisions help improve the competitiveness of a business.</p> <p>The impact of global business on human resource management.</p>
Human resource planning and objectives	<p>Influences on the human resource plan.</p> <p>Human resource objectives include:</p> <ul style="list-style-type: none"> <li>• employee engagement</li> <li>• diversity</li> <li>• number and skill of employees</li> <li>• retention.</li> </ul>
Internal and external influences on human resource plans, objectives and decisions	<p>Resources.</p> <p>Developments in technology (eg changing the nature of work, the skills that are required and ways of working such as tele-working).</p> <p>Ethical and environmental influences.</p> <p>Market conditions (including the labour market) and domestic and international competition.</p>

### 3.2.2.2 Human resource data

Content	Additional information
Using human resource data	<p>Students should be able to calculate and interpret:</p> <ul style="list-style-type: none"> <li>• labour turnover</li> <li>• labour productivity</li> <li>• employee costs as percentage of turnover</li> <li>• labour cost per unit</li> <li>• sales and profit per employee</li> <li>• employee engagement.</li> </ul> <p>Students should understand that the measures of human resource performance will vary in different contexts.</p>

**3.2.2.3 Organisational design and managing human resources**

<b>Content</b>	<b>Additional information</b>
Managing human resources	Students should consider: <ul style="list-style-type: none"> <li>• the value of effective recruitment and selection</li> <li>• the value of training</li> <li>• issues relating to reducing the number of employees.</li> </ul>
Influences on and effect of different organisational designs	Decisions relating to organisational design: <ul style="list-style-type: none"> <li>• span of control</li> <li>• levels of hierarchy</li> <li>• delegation</li> <li>• centralisation and decentralisation.</li> </ul>

**3.2.2.4 Motivation and engagement**

<b>Content</b>	<b>Additional information</b>
The benefits of motivated and engaged employees	Theories of motivation: Taylor, Maslow and Herzberg.
How to improve employee engagement and motivation	Financial methods of motivation and engagement should include: <ul style="list-style-type: none"> <li>• piece rate</li> <li>• commission</li> <li>• salary schemes</li> <li>• performance-related pay.</li> </ul>
The use of financial methods and non-financial methods of motivation and engagement	Influences on the choice and assessment of the effectiveness of financial and non-financial techniques such as consultation, job design and empowerment.

**3.2.2.5 Employer-employee relations**

<b>Content</b>	<b>Additional information</b>
The value of employee involvement	Influences on the extent and methods of employee involvement in decision making.  Employee involvement methods to include consultation, trade unions and worker directors.
The value of employee communication and good employer-employee relations	How to manage and improve employer-employee communications and relations.

## 3.2.3 FINANCE

### 3.2.3.1 Financial objectives

Content	Additional information
The importance of managing finances	<p>How decisions in finance improve the competitiveness of the business.</p> <p>The interrelationship between financial decisions and other functions.</p> <p>The impact of global business on the finances of a business.</p>
Financial objectives	<p>Financial objectives:</p> <ul style="list-style-type: none"> <li>• revenue (sales or turnover)</li> <li>• cost of sales</li> <li>• expenses</li> <li>• gross and operating profit</li> <li>• gross and operating profit margin</li> <li>• cash flow</li> <li>• return on investment.</li> </ul>
External and internal influences on financial objectives	<p>Resources.</p> <p>Developments in technology (eg crowd funding).</p> <p>Ethical and environmental influences.</p> <p>Market conditions and domestic and international competition on financial objectives and decisions.</p>

### 3.2.3.2 Financial data

Content	Additional information
Using financial data	<p>Students should be able to calculate and interpret:</p> <ul style="list-style-type: none"> <li>• gross and operating profit</li> <li>• gross and operating profit margins</li> <li>• return on investment.</li> </ul> <p>Students should be able to complete and interpret budgets including favourable and adverse variance.</p> <p>Students should be able to assess the value of budgeting.</p>

**3.2.3.3 Sources of finance**

Content	Additional information
Internal and external sources of finance	<p>Advantage and disadvantages of short- and long-run sources of finance:</p> <ul style="list-style-type: none"> <li>• debt factoring</li> <li>• overdrafts</li> <li>• retained profits</li> <li>• share capital (equity)</li> <li>• loans</li> <li>• debentures</li> <li>• leasing</li> <li>• venture capital</li> <li>• micro-finance</li> <li>• government grants</li> <li>• crowd funding.</li> </ul> <p>Appropriateness of different sources of finance in different situations, eg start-up.</p>

**3.2.3.4 Breakeven analysis**

Content	Additional information
Break-even output	<p>Construct, interpret and manipulate break-even charts.</p> <p>Calculate and interpret break-even output and profit/loss at different output levels.</p> <p>Understand the significance of and be able to calculate:</p> <ul style="list-style-type: none"> <li>• fixed costs</li> <li>• variable costs</li> <li>• total costs</li> <li>• revenue (or turnover)</li> <li>• profit</li> <li>• break-even output</li> <li>• margin of safety</li> <li>• contribution per unit</li> <li>• total contribution.</li> </ul>

**3.2.3.5 Profit and cash**

<b>Content</b>	<b>Additional information</b>
Profit	Students should understand: <ul style="list-style-type: none"> <li>• the meaning and significance of profit</li> <li>• the distinction between gross profit, operating profit and profit for the year</li> <li>• the difference between profit and cash</li> <li>• the difference between profit and profitability.</li> </ul>
Statements of cash flows and forecasts	Understanding the importance of cash and working capital.  Constructing and analysing statements of cash flows and forecasts.  Be able to analyse timings of cash inflows and outflows (including an understanding of payables and receivables).
Way of improving working capital and cash flow	Managing cash and working capital.  Difficulties improving cash flow and working capital.
Way of improving profits and profitability	Difficulties improving profits and profitability.

**3.3 BUSINESS STRATEGY AND BUSINESS DECISION MAKING****3.3.1 MISSION, OBJECTIVES AND STRATEGY**

<b>Content</b>	<b>Additional information</b>
The links between mission, objectives, strategy and the business functions	Objectives include shareholder value and shareholder returns, growth, social and environmental objectives.  Impact of different objectives on functional areas.  Causes of short-termism and its possible impact versus long-termism.
The use and value of SWOT (strengths, weaknesses opportunities, threats) analysis	Features of strategic decisions (versus tactical). A strategic decision could relate to a new business, eg a decision to start-up or an established business, eg a decision to take over another firm or retrench.  Use of SWOT (strengths, weaknesses opportunities, threats) to influence strategy.
The need to consider stakeholder needs when making decisions	Stakeholder mapping: stakeholder power and interest.  Managing the relationship with different stakeholders.  Stakeholder objectives and the possible overlap and conflict of these objectives.

### 3.3.2 ANALYSING THE EXISTING INTERNAL POSITION OF A BUSINESS

Content	Additional information
<p>Assessing the financial performance of a business using statements of financial position, income statements and financial ratios</p>	<p>Financial ratio analysis to include:</p> <ul style="list-style-type: none"> <li>• profit for the year</li> <li>• profitability (profit margins and return on capital employed)</li> <li>• liquidity (current ratio)</li> <li>• gearing</li> <li>• efficiency ratios: payables days, receivables days, inventory turnover</li> <li>• shareholder ratios: dividend per share, dividend yield, price earnings ratio</li> <li>• window dressing</li> <li>• the value of ratio analysis.</li> </ul> <p>Data may be analysed over time or in comparison with other businesses.</p> <p>Value of profit centres.</p>
<p>How to analyse data other than financial data to assess the strengths and weaknesses of a business</p>	<p>Data other than financial statements should include operations, human resource and marketing data.</p> <p>Methods of assessing business performance include Triple bottom line and Kaplan and Norton's balanced scorecard model.</p> <p>Data may be analysed over time or in comparison with other businesses.</p> <p>Data should be assessed in context of the business, eg start-up versus growing business.</p>

### 3.3.3 ANALYSING THE INDUSTRY ENVIRONMENT

Content	Additional information
Analysis of industry environment	<p>An understanding of Porter's five forces to include:</p> <ul style="list-style-type: none"> <li>• entry threat (barriers to entry)</li> <li>• buyer power</li> <li>• supplier power</li> <li>• rivalry</li> <li>• substitute threat.</li> </ul> <p>Students should be able to analyse and assess how and why these forces might differ between industries, how and why these forces might change or be changed and the implications of these forces for decision making and profits.</p>

### 3.3.4 ANALYSING THE EXTERNAL ENVIRONMENT TO ASSESS OPPORTUNITIES AND THREATS: POLITICAL AND LEGAL CHANGE

Students may focus on the external political and legal environment in their own country but should be aware that external environments can differ between countries and that in a global economy changes in one country can affect businesses in another.

Content	Additional information
The impact of changes in the political and legal environment on strategy and the functional areas	<p>The political and legal environment should include:</p> <ul style="list-style-type: none"> <li>• a broad understanding of the scope and effects of how the law within a country can affect competition, the labour market (including employee rights), and environmental issues</li> <li>• the impact of government policy related to supporting businesses and industries (eg grants and subsidies), the ease of doing business and international trade policies and agreements</li> <li>• the effect of political stability or instability</li> <li>• the effect of corruption within an economy.</li> </ul>

### 3.3.5 ANALYSING THE EXTERNAL ENVIRONMENT TO ASSESS OPPORTUNITIES AND THREATS: ECONOMIC CHANGE

Students may focus on the external economic environment in their own country but should be aware that external environments can differ between countries and that in a global economy changes in one country can affect businesses in another.

Content	Additional information
The impact of changes in the national and global economic environment on strategy and the functional areas	Economic factors to include: <ul style="list-style-type: none"> <li>• Gross domestic product (GDP) within the domestic economy and other economies</li> <li>• taxation</li> <li>• the exchange rate (including exchange rate volatility)</li> <li>• inflation/deflation</li> <li>• unemployment</li> <li>• interest rates</li> <li>• the degree of free trade versus protectionism</li> <li>• investment in and quality of infrastructure in the economy</li> <li>• prices of resources such as oil</li> <li>• labour markets.</li> </ul>
The importance of globalisation for business	The impact of global social, labour, economic, technological and trade trends for business.

### 3.3.6 ANALYSING THE EXTERNAL ENVIRONMENT TO ASSESS OPPORTUNITIES AND THREATS: SOCIAL, TECHNOLOGICAL AND ENVIRONMENTAL CHANGE

Students may focus on the external social and technological environment in their own country but should be aware that external environments can differ between countries and that in a global economy changes in one country can affect businesses in another.

Content	Additional information
The impact of social, technological environmental change on strategy and the functional areas	<p>Social changes to include demographic changes and population movements such as:</p> <ul style="list-style-type: none"> <li>• the age structure of the population</li> <li>• urbanisation</li> <li>• migration.</li> </ul> <p>The social environment to include:</p> <ul style="list-style-type: none"> <li>• the size and composition of the workforce</li> <li>• the education and training of the workforce</li> <li>• cultural issues.</li> </ul> <p>The social environment to include corporate social responsibility (CSR) and:</p> <ul style="list-style-type: none"> <li>• the reasons for and against CSR</li> <li>• the pressures for socially responsible behaviour</li> <li>• the difference between the stakeholder versus shareholder concept.</li> </ul> <p>Technological change should include:</p> <ul style="list-style-type: none"> <li>• the impact of digital technology</li> <li>• the impact of technological change on functional areas and strategy</li> <li>• the growth of online businesses.</li> </ul> <p>Environmental changes to include pollution and climate change.</p>

### 3.3.7 ANALYSING STRATEGIC OPTIONS: INVESTMENT APPRAISAL

Content	Additional information
Financial methods of assessing an investment	Investment appraisal should include the calculation and interpretation of payback, average rate of return and net present value.  The value of sensitivity analysis.
Factors influencing investment decisions	Factors to include investment criteria, non-financial factors, risk, uncertainty, the business environment and business confidence.

### 3.3.8 CHOOSING STRATEGIC DIRECTION

#### 3.3.8.1 Strategic direction: choosing which markets to compete in and what products to offer

Content	Additional information
Factors influencing which markets to compete in and which products to offer	The Ansoff matrix and value of: <ul style="list-style-type: none"> <li>• market penetration</li> <li>• market development</li> <li>• new product development</li> <li>• diversification.</li> </ul> The reasons for choosing and the value of different options for strategic direction.  Reasons for and challenges of changing strategy.

#### 3.3.8.2 Strategic positioning: choosing how to compete

Content	Additional information
Strategic positioning: how to compete in terms of benefits and price	Bowman's strategic clock.
The value of different strategic positioning strategies	Influences on the choice of a strategic positioning strategy.
Competitive advantage	The benefits of having a competitive advantage.  The difficulties of maintaining a competitive advantage.

## 3.3.9 STRATEGIC METHODS: HOW TO PURSUE STRATEGIES

### 3.3.9.1 Assessing a change in scale

Content	Additional information
The reasons why businesses grow or retrench	Types of growth: organic and external.  The advantages and disadvantages of organic and external growth.
Assessing methods and types of growth	Methods of growth: mergers, takeovers, franchises and joint ventures.  Types of growth: vertical (backward and forward), horizontal and conglomerate integration.
How to manage, and overcome the problems of growth or retrenchment	Issues with growth: <ul style="list-style-type: none"> <li>• economies of scale (technical, purchasing, marketing and managerial)</li> <li>• diseconomies of scale</li> <li>• the experience curve</li> <li>• synergy</li> <li>• overtrading.</li> </ul> Issues with managing growth should include Greiner's model of growth.  The impact of growth or retrenchment on the functional areas of the business.

### 3.3.9.2 Innovation

Content	Additional information
The value and impact of innovation	<p>Pressures for innovation.</p> <p>Process and product innovation.</p> <p>Disruptive innovation.</p> <p>The impact of innovation on the functional areas of the business.</p> <p>The value of intellectual property.</p>
Ways of becoming an innovative organisation	<p>Ways of becoming innovative include:</p> <ul style="list-style-type: none"> <li>• Kaizen</li> <li>• research and development</li> <li>• intrapreneurship</li> <li>• benchmarking</li> <li>• developing the right culture and organisational structure.</li> </ul> <p>Barriers to innovation.</p>

### 3.3.9.3 Internationalisation

Content	Additional information
Reasons for and impact of operating and trading internationally	<p>Reasons to be a multinational business.</p> <p>Impact of multinationals on domestic businesses.</p>
Factors influencing the attractiveness of selling to, operating in or trading internationally	<p>The significance of emerging economies.</p> <p>The significance for international business of differences between countries in terms of the political, economic, social, technological and competitive environments.</p> <p>Factors influencing business investment in a country overseas (foreign direct investment).</p> <p>Factors influencing business location and relocation globally including government actions.</p> <p>Difficulties investing and locating in some countries.</p> <p>Factors influencing decisions whether to produce overseas include off-shoring and re-shoring.</p>
Factors influencing the ability of businesses to trade internationally	<p>Factors influencing international competitiveness.</p> <p>Impact of protectionism including tariffs and quotas.</p> <p>Impact of trading agreements such as ASEAN, EU and NAFTA.</p>

Content	Additional information
Ways of entering international markets and value of different methods	Methods of entering international markets include: <ul style="list-style-type: none"> <li>• export</li> <li>• licensing/franchising</li> <li>• joint ventures</li> <li>• foreign direct investment (FDI).</li> </ul>
Managing international business	Pressures on international business: <ul style="list-style-type: none"> <li>• to respond to local conditions versus standardising</li> <li>• to make functional decisions centrally versus decentralising.</li> </ul>

### 3.3.10 MANAGING STRATEGIC CHANGE

#### 3.3.10.1 Understanding leadership and strategic decision making

Content	Additional information
The role and value of leaders within a business	Leaders and strategic decision making Factors influencing the power, style and success of leaders.
Types of leadership styles and influences on these	The effectiveness of different styles of leadership. Tannenbaum Schmidt continuum.

#### 3.3.10.2 Managing change

Content	Additional information
Causes of, pressures for and value of change	Types of change include: <ul style="list-style-type: none"> <li>• internal change</li> <li>• external change</li> <li>• incremental change</li> <li>• disruptive change.</li> </ul>
The value of a flexible organisation	Flexible organisations include: <ul style="list-style-type: none"> <li>• restructuring</li> <li>• delayering</li> <li>• flexible employment contracts</li> <li>• organic structures versus mechanistic.</li> </ul>
Managing change	Lewin's force field analysis.
Barriers to change	Kotter and Schlesinger's four reasons for resistance to change.
How to overcome barriers to change	Kotter and Schlesinger's six ways of overcoming resistance to change.

Content	Additional information
Preparing for change	Ways of preparing for change including forecasting, strategic planning, developing a flexible organisation, scenario planning and contingency planning.  Ways of ensuring the business can adapt to change.

### 3.3.10.3 Organisational culture

Content	Additional information
The importance of organisational (or corporate) culture	
The influences on organisational culture	Students should understand Hofstede's features of national cultures.
The reasons for and problems of changing organisational culture.	

### 3.3.10.4 Strategic implementation

Content	Additional information
Implementing strategy effectively	The value of leadership, communications and organisational structure in strategic implementation.  The value of planning.
Matching organisational structure to strategy	Organisational structures to include: functional, product-based, regional and matrix structure.
The value of network analysis in strategic implementation	Network analysis to include: <ul style="list-style-type: none"> <li>• understanding and interpreting network diagrams</li> <li>• construction and amendment of network diagrams</li> <li>• calculating Earliest start times, Latest finish times and Total float</li> <li>• identifying the critical path and total float.</li> </ul>
Difficulties of strategic decision making and implementing strategy	The value of strategic planning.  Why strategies fail.  Reasons for strategic drift.

## 4 SCHEME OF ASSESSMENT

Find mark schemes, and specimen papers for new courses, on our website at [oxfordaqaexams.org.uk/business](https://oxfordaqaexams.org.uk/business)

These qualifications are modular. The full International A-level is intended to be taken over two years. The specification content for the International AS is half that of an International A-level.

The International AS can be taken as a stand-alone qualification or it can count towards the International A-level. To complete the International A-level, students can take the International AS in their first year and the International A2 in their second year or they can take all the units together in the same examination series at the end of the two year course.

The International AS content will be 50% of the International A-level content. International AS assessments contribute 40% of the total marks for the full International A-level qualification. The remaining 60% comes from the International A2 assessments.

The specification provides an opportunity for students to produce extended responses either in words or using open-ended calculations.

The specification content will be split across units and will include some synoptic assessment. This allows students to draw together different areas of knowledge from across the full course of study.

All materials are available in English only.

Our International AS and A-level exams in Business include questions that allow students to demonstrate their ability to:

- draw together their knowledge, skills and understanding from across the full course of study
- provide extended responses.

### 4.1 AVAILABILITY OF ASSESSMENT UNITS AND CERTIFICATION

Exams and certification for this specification are available as follows:

	Availability of units		Availability of certification	
	International AS	International A2	International AS	International A-level
June 2019	✓		✓	
January 2020	✓		✓	
June 2020	✓	✓	✓	✓
January 2021 onwards	✓	✓	✓	✓
June 2021 onwards	✓	✓	✓	✓

## 4.2 AIMS

Our International AS and A-level Business courses based on this specification should encourage students to:

- develop an enthusiasm for studying business and an interest in the business world around them
- understand and analyse contemporary business issues
- build the skills required to evaluate business behaviour from a variety of perspectives
- develop the ability to critically assess a given business context and make supported recommendations about appropriate business actions
- develop the ability to examine and interpret quantitative and qualitative data relevant to business decision making.

## 4.3 ASSESSMENT OBJECTIVES

The exams will measure how students have achieved the following Assessment Objectives.

- 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.

## QUALITY OF WRITTEN COMMUNICATION (QWC)

Students must:

- ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
- select and use a form and style of writing appropriate to purpose and to complex subject matter
- organise information clearly and coherently, using specialist vocabulary when appropriate.

Questions in the papers for this specification do not include specific marks for QWC. However, poor written communication may lead to lower marks due to lack of clarity in answers.

### 4.3.1 ASSESSMENT OBJECTIVE WEIGHTINGS FOR INTERNATIONAL AS BUSINESS

Assessment Objectives (AOs)	Unit weightings (approx %)		Overall weighting of AOs (approx %)
	Unit 1	Unit 2	
AO1	13.75–16.25	13.75–16.25	27.5–32.5
AO2	13.75–16.25	13.75–16.25	27.5–32.5
AO3	10–12.5	10–12.5	20–25
AO4	8.75–11.25	8.75–11.25	17.5–22.5
Overall weighting of units (%)	50	50	100

### 4.3.2 ASSESSMENT OBJECTIVE WEIGHTINGS FOR INTERNATIONAL A-LEVEL BUSINESS

Assessment Objectives (AOs)	Unit weightings (approx %)				Overall weighting of AOs (approx %)
	Unit 1	Unit 2	Unit 3	Unit 4	
AO1	5.5–6.5	5.5–6.5	5–7	5–7	23–27
AO2	5.5–6.5	5.5–6.5	5–7	6–8	23–27
AO3	4–5	4–5	8–10	7–9	23–27
AO4	3.5–4.5	3.5–4.5	8–10	8–10	23–27
Overall weighting of components (%)	20	20	30	30	100

## 4.4 ASSESSMENT WEIGHTINGS

The raw marks awarded on each unit will be transferred to a uniform mark scale (UMS) to meet the weighting of the units and to ensure comparability between units sat in different exam series. Students' final grades will be calculated by adding together the uniform marks for all units. The maximum raw and uniform marks are shown in the table below.

Unit	Maximum raw mark	Percentage weighting International A-level (AS)	Maximum uniform mark
Unit 1	80	50	80
Unit 2	80	50	80
<b>International AS qualification</b>	–	100	160
Unit 1	80	20	80
Unit 2	80	20	80
Unit 3	80	30	120
Unit 4	80	30	120
<b>International A-level qualification</b>	–	100	400

## 5 GENERAL ADMINISTRATION

We are committed to delivering assessments of the highest quality and have developed practices and procedures to support this aim. To ensure all students have a fair experience, we have worked with other awarding bodies in England to develop best practice for maintaining the integrity of exams. This is published through the Joint Council for Qualifications (JCQ). We will maintain the same high standard through their use for Oxford International AQA Examinations.

More information on all aspects of administration is available at [oxfordaqaexams.org.uk/examsadmin](https://oxfordaqaexams.org.uk/examsadmin)

For any immediate enquiries please contact [examsadmin@oxfordaqaexams.org.uk](mailto:examsadmin@oxfordaqaexams.org.uk)

**Please note: We aim to respond to all email enquiries within two working days.**

**Our UK office hours are Monday to Friday, 8am – 5pm local time.**

### 5.1 ENTRIES AND CODES

You should use the following subject award entry codes:

Qualification title	Oxford International AQA Examinations entry code
Oxford AQA International Advanced Subsidiary Business	9626
Oxford AQA International Advanced Level Business	9627

Please check the current version of *Entry procedures and codes* for up-to-date entry procedures that will be published shortly on [oxfordaqaexams.org.uk/examsadmin](https://oxfordaqaexams.org.uk/examsadmin)

You should use the following unit entry codes:

Unit 1 – BU01

Unit 2 – BU02

Unit 3 – BU03

Unit 4 – BU04

A unit entry will not trigger certification. You will also need to make an entry for the overall subject award in the series that certification is required.

Exams will be available May/June and in January.

### 5.2 OVERLAPS WITH OTHER QUALIFICATIONS

There is overlapping content in the International AS and A-level specifications. This helps you teach the International AS and A-level together.

This specification overlaps with the AQA UK AS and A-level Business (7131).

## 5.3 AWARDING GRADES AND REPORTING RESULTS

The International AS qualification will be graded on a five-point scale: A, B, C, D and E.

The International A-level qualification will be graded on a six-point scale: A\*, A, B, C, D and E. To be awarded an A\*, students will need to achieve a grade A on the full A-level qualification and 90% of the maximum uniform mark on the aggregate of the A2 units.

Students who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.

We will publish the minimum raw mark needed for each grade in each unit when we issue students' results. We will report a student's unit results to schools and colleges in terms of uniform marks and unit grades and we will report qualification results in terms of uniform marks and grades.

The relationship between uniform marks and grades is shown in the table below.

Grade	Uniform mark range per unit and per qualification					
	Unit 1	Unit 2	International AS Business	Unit 3	Unit 4	International A-level Business
Maximum uniform mark	80	80	160	120	120	400
A*						*See note below
A	64-80	64-80	128-160	96-120	96-120	320-400
B	56-63	56-63	112-127	84-95	84-95	280-319
C	48-55	48-55	96-111	72-83	72-83	240-279
D	40-47	40-47	80-95	60-71	60-71	200-239
E	32-39	32-39	64-79	48-59	48-59	160-199

\* For the award of grade A\*, a student must achieve grade A in the full International A-level qualification and a minimum of 216 uniform marks in the aggregate of Unit 3 and Unit 4.

## 5.4 RESITS

Unit results remain available to count towards certification, whether or not they have already been used, provided the specification remains valid. Students can resit units as many times as they like, so long as they're within the shelf-life of the specification. The best result from each unit will count towards the final qualification grade. Students who wish to repeat a qualification may do so by resitting one or more units.

To be awarded a new subject grade, the appropriate subject award entry, as well as the unit entry/entries, must be submitted.

## 5.5 PREVIOUS LEARNING AND PREREQUISITES

There are no previous learning requirements. Any requirements for entry to a course based on this specification are at the discretion of schools and colleges.

## 5.6 ACCESS TO ASSESSMENT: EQUALITY AND INCLUSION

Our general qualifications are designed to prepare students for a wide range of occupations and further study whilst assessing a wide range of competences.

The subject criteria have been assessed to ensure they test specific competences. The skills or knowledge required do not disadvantage particular groups of students.

Exam access arrangements are available for students with disabilities and special educational needs.

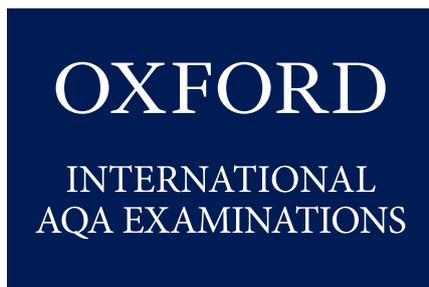
We comply with the *UK Equality Act 2010* to make reasonable adjustments to remove or lessen any disadvantage that affects a disabled student. Information about access arrangements is issued to schools or colleges when they become Oxford International AQA Examinations centres.

## 5.7 WORKING WITH OXFORD INTERNATIONAL AQA EXAMINATIONS FOR THE FIRST TIME

You will need to apply to become an Oxford International AQA Examinations centre to offer our specifications to your students. Find out how at [oxfordaqaexams.org.uk/centreapprovals](https://oxfordaqaexams.org.uk/centreapprovals)

## 5.8 PRIVATE CANDIDATES

Oxford International AQA Examinations does not accept direct entries from private candidates. However, private candidates can enter exams via the British Council. For more information, visit [oxfordaqaexams.org.uk/exams-administration](https://oxfordaqaexams.org.uk/exams-administration)



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