

OXFORD

INTERNATIONAL
AQA EXAMINATIONS

INTERNATIONAL GCSE BUSINESS

(9225)

Teaching guidance

For teaching from September 2017 onwards

For International GCSE exams May/June 2019 onwards

Our specification is published on our website oxfordaqaexams.org.uk. We will let schools/colleges know in writing about any changes to the specification. We will also publish changes on our website. The definitive version of our specification will always be the one on our website; this may differ from printed versions.

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Introduction

Oxford AQA International GCSE Business specification has been developed to inspire, challenge and motivate all students regardless of their academic ability. It provides students with opportunities to explore theories and concepts within a framework that reflects the different business cultures and structures that operate throughout the world. The International GCSE uses real businesses and real business context to explore issues and challenges facing businesses in a global context. Students will have an opportunity to develop a range of skills which will enable them not only to have a good grounding in business theory, but which will also allow them to develop their problem solving, analytical and decision making skills.

We have listened closely to feedback from teachers to design a specification and an assessment structure which is accessible to all students. The rigorous summative assessment, which is presented in a simple and straightforward structure, enables students to demonstrate their breadth of knowledge and understanding of the subject.

This qualification provides a good foundation for further study of business and is ideal for students who may want to continue and explore business either at A-level or in a vocational context.

Aims and learning outcomes

Our International GCSE Business should encourage students to be inspired, motivated and challenged by following a broad, coherent, practical, satisfying and worthwhile course of study. It should encourage students to develop their curiosity about the world, enable students to engage with business in their everyday lives in order to make informed choices about further study in business and related disciplines.

The International GCSE Business should 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 this knowledge and understanding to make sense of the world of business in an international setting
- 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
- investigate and analyse real business opportunities and issues and, so by doing construct well-argued, well-evidenced, balanced and structured arguments, demonstrating depth and breadth and understanding of business
- develop and apply quantitative skills relevant to business, including using and interpreting data
- develop the ability to analyse critically business behaviour and to be able to make judgements on the appropriateness of proposed courses of action.

Assessment Objectives (AOs)

There are three assessment objectives for the International GCSE Business:

AO1	Demonstrate knowledge and understanding of business concepts, issues and terminology (25–30%).
AO2	Apply knowledge and understanding of concepts and issues to business contexts and to interpret business information (35–40%).
AO3	Analyse and evaluate business information and issues to demonstrate understanding of the impact of these on business activity, to make reasoned judgements and justified business decisions (35–40%).

Weighting of Assessment Objectives

The table below shows the approximate weighting of each of the assessment objectives in the International GCSE Business components:

Assessment Objectives (AOs)	Component weightings (%)		Overall weighting of AOs (%)
	Paper 1	Paper 2	
AO1	12.5–15	12.5–15	25–30
AO2	17.5–20	17.5–20	35–40
AO3	17.5–20	17.5–20	35–40
Overall weighting of units (%)	50	50	100

Assessment at a glance

Paper 1: Influences of operations and human resources on business activity

- Written exam: 2 hours
- 90 marks
- 50% of International GCSE

Paper 2: Influences of marketing and finance on business activity

- Written exam: 2 hours
- 90 marks
- 50% of International GCSE

Assessment in closer detail

The International GCSE Business is a linear qualification, with 100% external assessment. Students are required to answer all questions in each written paper.

Paper 1 – Influences of operations and human resource on business activity

What's assessed

Business in the real world

Students will explore some of the basic building blocks of business including: the purpose of business; the forms that businesses can take; the role of enterprise and entrepreneurship; stakeholders' interests and business planning and growth.

Influences on business

Students will examine the importance of external influences on business and how businesses change in response to these influences. Areas of study include the expansion of e-commerce and technology, environmental and ethical considerations, and economic and legal factors.

Business operations

Students will examine factors to do with the production of goods and the provision of services. The concepts of quality and customer service will be considered for their impact on businesses.

Human resources

Students will explore the purpose of human resources, its role within business and how it influences business activity. Topics for study include how businesses organise and structure their employees, methods to recruit the best employees and to keep them trained and motivated.

Questions

Section A – 15 marks. This section has multiple choice and short answer questions.

Section B – approximately 40 marks. This section has one case study/data response stimuli and contains a mixture of 6–8 compulsory short answer and extended response questions.

Section C – approximately 35 marks. This section has one case study/data response stimuli and contains a mixture of 6–8 compulsory short answer and extended response questions.

Paper 2 – Influences of marketing and finance on business activity

What's assessed

Business in the real world

Students will explore some of the basic building blocks of business including: the purpose of business; the forms that businesses can take; the role of enterprise and entrepreneurship; stakeholders' interests and business planning and growth.

Influences on business

Students will examine the importance of external influences on business and how businesses change in response to these influences. Areas of study include the expansion of e-commerce and technology, environmental and ethical considerations, and economic and legal factors.

Marketing

Students will consider the purpose of marketing and its role within business. Marketing strategies will be studied with respect to market research and the 4Ps of marketing and how it influences business activity.

Finance

Students will explore the finance function of businesses. Students will need to consider the suitability of a range of funding sources, recognise how cash flow can affect a business's operations and have some knowledge of business accounts, so that they are able to make sense of simplified financial documents and scenarios.

Questions

Section A – 15 marks. This section has multiple choice and short answer questions.

Section B – approximately 40 marks. This section has one case study/data response stimuli and contains a mixture of 6–8 compulsory short answer and extended response questions.

Section C – approximately 35 marks. This section has one case study/data response stimuli and contains a mixture of 6–8 compulsory short answer and extended response questions.

Course planning

In order to facilitate and support effective course planning this guide provides an illustration of how the new business course can be organised. This structure should not be seen as definitive; teachers may choose to adapt it to suit their students' needs and the school's circumstances. It is based, however, on the assumption that there will be 70 teaching weeks available over the 2 years of the course in Year 10 and Year 11. There are many ways in which the course can be organised and this plan assumes that it will be organised over 2 years based on 2.5 hours of teaching per week and a 35 week teaching year.

The time can be subdivided in the following way: 14 weeks in autumn term (35 hours), 12 weeks in spring term (30 hours) and 10 weeks in summer term (25 hours). This provides about 90 hours of formal teaching per year which will allow for the incorporation of formal assessment, course revision and examination practice. These figures are for guidance only as it is recognised that the available curriculum time for the delivery of the subject will vary from school to school.

For the majority of students, this will be their first contact with a business related course and only a limited number will have had any previous experience of the subject. In terms of planning over the 2 years and in light of the above, a suggested structure could look like this:

	Term 1	Term 2	Term 3
Year 1	Business in the real world	Influences on business	<ul style="list-style-type: none"> • Business operations • Human resources (1) • Revision/past papers
Year 2	<ul style="list-style-type: none"> • Human resources (2) • Marketing (1) 	<ul style="list-style-type: none"> • Marketing (2) • Finance 	Final revision/past papers

In constructing the plan, schools/colleges will need to think imaginatively in terms of what is best for their students and build in appropriate assessment opportunities at critical stages in the delivery of the plan. Such assessments have a twofold purpose: they provide feedback to the teacher on whether the concepts have been understood by the students, and they help prepare students for the examination question papers that they will encounter at the end of the course.

Teachers should bear in mind that business is an integrated course of study, rather than a series of discrete units of knowledge. This means that as the course progresses, it will be necessary to refer to the impact on changes in one aspect of business on other areas within it.

As an example, when studying the marketing mix, the decision to lower prices cannot be taught in isolation to topics, such as human resources and operations. Lower prices will stimulate sales for which production will need to increase to match this new demand. This would probably require additional new staff to be employed to allow output to be increased. The new staff will, in turn, increase the need for training to ensure these employees are capable of doing their work. Students would also need to consider that the effectiveness of the price drop will depend upon factors, such as the amount of competition in the industry and the degree of product differentiation there is.

So, as they become more proficient with business ideas and concepts, the students should be encouraged to consider the currently taught topic in a wider context of the course material that they have already encountered.

Experience has shown that many of the business concepts included in the specification are taught more effectively when presented to the students in a way that allows them to experience the concept first hand and to make sense of it by working with it in some form of activity. Simply describing a concept and expecting students to understand and to be able to apply it in unfamiliar settings will, in most cases, not happen. Involving them directly in activities not only allows them to encounter the concept but also to gain an insight to its relevance and help their understanding of it. The scheme of work document includes suggestions on how aspects of the specification might be approached in ways that will help the students' understanding.

The subject is fortunate because of its dynamic nature. Each day, there are many new business stories and features in the news media which can often be adapted to help teachers present and explain aspects of the specification. Using real world examples helps keep the subject up to date and helps emphasise the nature of the subject. The material will probably need to be altered, however, to suit the students' language skills and unnecessary content removed to allow them to concentrate on the essential part of the news story.

Subject specific vocabulary

Assets	Property owned by a business which includes: buildings, vehicles, cash, stock and unpaid debts owed by customers.
Average costs	The total costs of production divided by the number of items made.
Batch production	A production method where several items are made at the same time, often in a series of stages.
Break even output	The minimum output necessary for a business to start to make a profit. Below this level, a loss is made.
Business aims and objectives	The stated goals that a business wishes to reach. At this level of study, the two are usually regarded as the same thing.
Business plan	A statement showing how a business sets out to achieve its aims and objectives.
Cash flow	The relationship between the monthly inflow and outflow of cash. A cash flow difficulty is where a business does not have the necessary cash to pay its immediate bills.
Cell production	This production method has teams of employees working together to complete one part of a large product, such as a car's steering system.
Centralisation	Senior managers take all important decisions.
Chain of command	The route instructions follow to get from the person giving the orders and those who will put them into practice.
Competition pricing	Basing the price a business charges on the prices charged by its competitors. A lower price may be chosen to attract customers away from the competitors.
Cost plus pricing	Setting a price by taking up the cost of making each product, then adding on an extra amount as a profit.
Customer loyalty	The willingness of customers to continue to buy from a business. This is sometimes called repeat business.
Customer satisfaction	How happy the customer is with the product or service.
Decentralisation	Decision-making power is spread to managers in branches and divisions of the business.
Delaying	Removing a level in the organisational structure to make it flatter.
Delegation	A manager giving an employee, who is lower in the hierarchy, the power to make decisions.
Digital communications	Sending and receiving messages using computer technology.

Diseconomies of scale	The factors that cause average costs to increase as a business expands and produces more output.
Distribution Channel	The method used to transfer goods or services from the producer to the final consumer.
E-commerce	Transactions between people and business carried out via the internet.
Economies of scale	The average costs of each item fall as production output increases.
Enterprise	Another name for a business. Usually it refers to a new or start-up organisation.
Entrepreneur	A person who sets up a business in the hope of making a profit, but accepts the risk the business might fail and money is lost.
Ethics	The moral questions on which decisions are made and the impact the business has on its internal and external environment.
Exchange rates	The value of one country's currency in terms of other countries' currencies.
Extension strategies	Steps taken to extend the life cycle of the product.
External recruitment	Appointing an employee of another business to fill a vacancy.
Factors of production	The resources needed to produce a good or service, namely: land, labour, capital and enterprise.
Fixed costs	Costs of production that do not change as output increases or decreases.
Franchise	The legal right to use the name and logo of an existing firm and sell the same products.
Franchisee	The firm that buys the franchise rights from the existing business.
Franchisor	The existing firm that sells the franchise rights to another business.
Globalisation	Increasing trend for goods to be traded internationally and for companies to locate abroad.
Growth	An increase in turnover (sales), market share or profit.
Income statement	A financial document that shows the revenue and costs of a business and, from these, the profit made.
Induction training	Initial training to familiarise new recruits with the systems of a business.
Inorganic growth	Expansion by merging with or taking over another business.
Internal recruitment	Appointing an existing employee of the business to fill a vacancy.
Job production	Making one item at a time. Such items are usually different and not suitable for batch or flow production.

Just In Time (JIT) stock control	Arranging to have supplies delivered just before they are needed to avoid holding high levels of stock.
Kaizen	A culture where all employees continually look out for ways in which the efficiency of the business can be improved.
Layers of management	The number of different levels of management and responsibility in a structure.
Liabilities	Money owed by a business. If the money needs to be paid within a year it is a short term liability. More than a year is long term.
Limited liability	Investors (shareholders) in a limited company can only lose their investment in the business if it fails; they cannot be forced to sell assets to pay off the firm's debts.
Loss leader	A pricing decision where the price of a small number of products are set at a very low price, often losing money, in order to attract customers to buy other items.
Margin of safety	The difference between the amount a business actually produces and its break even output. The greater this margin, the safer the business is.
Marketing Mix	The four major variables for which decisions must be made when marketing a product – product, price, promotion and place.
Market research	Research that enables a firm to find out about its market, its customers, and its potential customers.
Market segmentation	Splitting the market into different types of consumers who share common features, for example, old people or those living in a particular area.
Merger	An agreement between business owners to combine two businesses and operate as a larger one.
Minimum wage	The practice used in some countries of setting an hourly wage which is the least amount that employees must be paid.
Mixed economy	An economy which has features of both the private and public sectors.
Off-the-job training	Takes place away from the job at another place (eg the business's training centre or college).
On-the-job-training	Takes place when employees receive training as they are working at the place of work.
Opportunity cost	The cost of choosing a course of action in terms of the next best alternative. The opportunity cost of someone going on holiday means they cannot spend the money on a new car.
Organic growth	Expansion from within the business (eg by opening more shop branches).
Organisational structure	A diagram showing how a business is made up of different levels of management and employees. The higher up the hierarchy, the more senior the person is.

Outsourcing	A business buying components or services from other businesses rather than providing them itself.
Price penetration	Setting a low price initially to establish a market, then raising price as consumers become used to buying that product.
Price skimming	Starting off with a very high price to creating high revenues from people who are keen to buy the product, then lowering price to attract those less willing to pay a high price.
Private sector	Those enterprises which is not owned by the government or state, but by private individuals.
Product differentiation	Attempting to make your products stand out from those of your rivals through advertising, design or different product features.
Product life cycle	The lifespan of a product, recorded in sales from launch to being taken off the market.
Product portfolio	All the different products made by a business. Many businesses choose to produce more than one produce in case the demand for one falls.
Productivity	How much, on average, each employee produces. An increase in productivity means the business is becoming more efficient.
Profit	Revenue – costs. What is left after costs have been deducted from revenue.
Promotion	All the ways a business communicates to consumers with the aim of selling products.
Public sector	Enterprises within the economy that are owned by the state rather than private individuals.
Revenue	The amount of money a business receives for selling goods or services.
Sales	The amount sold or the value sold (eg 200 units or USD\$400).
Shareholders	Part owners of a limited company – they own shares in it.
Span of control	The number of junior employees each manager is directly responsible for.
Staff retention	Strategies by businesses to encourage employees to stay with a business rather than to work somewhere else.
Stakeholder	An individual or group with an interest in a business, such as employees, customers, managers, shareholders, suppliers, competitors and the local community.
Statement of financial position	A financial document that shows all a business's assets and liabilities, including the capital of the enterprise.

Sustainability	The culture of ensuring that businesses have the ability to produce in the future. This is often concerned with avoiding the depletion natural resources and damage to the environment.
Takeover	Purchasing another business from its owners.
Total costs	All the business's fixed and variable costs.
Total quality management (TQM)	An approach to quality that aims to involve all employees in the quality improvement process.
Variable costs	Costs that change in proportion to the amount of output a business produces.

Command words

Command words are the words and phrases used in exams and other assessment tasks that tell students how they should answer the question.

Analyse	Separate information into components and identify their characteristics.
Assess	Make an informed judgement.
Calculate	Work out the value of something.
Compare	Identify similarities and or differences.
Complete	Finish a task by adding to given information.
Define	Specify meaning.
Describe	Set out characteristics.
Evaluate	Judge from available evidence.
Explain	Set out purposes or reasons.
Identify	Name or otherwise characterise.
Justify	Support a case with evidence.
Outline	Set out main characteristics.
Recommend	Give advice on the best option, based on an evaluation of their respective merits.
State	Express clearly and briefly.
Suggest	Present a possible case/solution.
What is meant by...?	Give a definition.
Which	Specify from a range of possibilities.
With reference to Figure X...	Students should use evidence/material from the figure in their response.

Teaching challenges

With the support of teachers we have managed to create a specification that is both exciting and accessible to young people. We have managed to integrate much of our traditional best practice from legacy specifications into this specification, so as to provide some continuity and consistency.

However, there remain areas that provide a continuing challenge to students. Historically, students have always found the finance questions challenging. In anticipation of this, financial data are always presented in a simplified way to aid the students. This means that the students are able to apply the knowledge and skills that they have developed during the course and are not distracted by complex numerical information.

For questions involving numeracy skills, marks will be awarded for correct calculations as well as for correct numerical interpretation of questions and numerical intent. See sample assessment material, Paper 1 questions 10.1 and 11.4; Paper 2 questions 08 and 11.5. The use of numeracy skills is not restricted to those questions which instruct the students to perform some form of mathematical calculation. Students can also gain AO3 marks in the longer questions by using any numerical data found in the case study to support arguments that they are making when analysing the issues. This is particularly creditworthy when the students have had to manipulate the data in some way in order to make it relevant to the question being answered. Numerical calculations are a key aspect of real world business and these skills are a feature of the examination papers. It is advised, however, that teachers liaise with their schools' mathematics departments to ensure that the students are not confused by alternative computational methods used by their business teachers differ from those the students have used in maths classes.

The financial terminology used will be based on the International Accounting Standards (IAS) terminology. Examination papers will be written using this terminology. Examiners marking the examination papers are aware of different financial terminology and candidates who use non-international terms accurately will not be penalised for so doing.

A glossary of those terms to be used in this specification is included below:

Current UK Term	International Term
Balance sheet	Statement of financial position
Bank and cash	Cash and cash equivalents
Cost of goods sold	Cost of sales
Creditors: amount falling due within 12 months	Current liabilities
Equity or capital	Capital
Final accounts	Financial statements
Fixed assets	Non-current assets
Gross profit	Gross profit
Land and buildings	Property
Loans repayable after 12 months	Bank loan (also other loans)
Loans repayable within 12 months	Bank overdrafts and loans
Long term liabilities	Non-current liabilities
Creditors: due after more than 12 months	

Net profit	Profit for the year
Sales	Revenue
Stocks of raw materials and stocks of finished goods	Inventory
Trade creditors	Trade payables
Trade debtors	Trade receivables
Trading and profit and loss account	Income statement

See sample assessment material, Paper 2 questions 11.5, 11.6 and 12.6.

The extended response questions are an interesting development as they provide the means for good differentiation across all abilities. There will be additional guidance available for schools/colleges that will provide support for both teachers and students to illustrate how they can best answer these types of questions. The Sample assessment material provides good insights into the way these questions will be assessed and marked and should reinforce the inclusive and accessible nature of the questions. See Sample assessment material, Paper 1 questions 10.7 and 11.7; Paper 2 questions 11.7 and 12.6.

Schools/colleges will need to tailor the teaching of the subject content to the context of the country in which it is being delivered. It is recognised that the business and economic climate in which our schools and colleges are operating will require on-going support and this will be provided through the Oxford International AQA Examinations business team, the website and through the provision of bespoke materials to address the issues relevant to an international context.

Specimen responses are included in the mark scheme to help teachers understand how marks will be applied to typical responses to the questions. The provision of student exemplar responses, as part of the support materials mentioned above, will give far more guidance on the application of marks to specimen student responses.

The specification remains sensitive to the needs of those studying the subject for whom English is not their first language. The language used in question papers will be written in as simple and straightforward a style as possible. Students will, however, be expected to be familiar with the business terms used within the specification. The specification is also respectful of cultural differences that exist throughout the world.

Examination techniques

Teachers are advised that knowledge and understanding alone will not enable their student to gain the highest possible grades. It can be seen in the Assessment Objectives table above that AO1 accounts for 25–30% of the overall marks for the two examination papers. Far more marks are awarded for the skills denoted by AO2 and AO3 (35–40% and 35–40% respectively). This means that the students will need to demonstrate their skills of applying the knowledge that they have acquired within an unfamiliar context as well as showing that they can analyse, evaluate and make reasoned judgement.

A common error identified by many business examiners is that obviously intelligent students sitting the paper spend far too much time overloading their answers with subject content that they have learnt, without it necessarily having relevance to the question that they are answering. They will define terms when it is not needed and provide copious amounts of explanation about the terms which merely demonstrate AO1 skills. This poor technique also results in these students having less available time to show their skills identified by AO2 and AO3.

Like any skill, the Assessment Objectives should be introduced to the students first and then they should be given the opportunity to practise them. These higher order skills cannot be acquired by students without direct tutoring. In practice, this means that teachers should build into their schemes of work lesson time to developing the skills required to access AO2 and AO3 marks.

There are some basic techniques that students need to be aware of when tackling different styles of questions.

Short answer questions (SAQs)

These are questions that are worth, perhaps, five or less marks. Sometimes these questions simply ask for factual recall, as is usually the case in the multiple choice questions (MCQs). Answers to these knowledge-based questions need not contain any explanation or development, other than describing what the term required means. If, however, the question contains some background information or scenario, even if this is short, then the student should refer to this in order to contextualise their answers. This type of SAQ will have the available marks allocated to AO2, whilst the marks for questions that depend solely upon knowledge recall will be AO1.

Analytical questions (AO3)

These will usually be identified by the command words ‘analyse’ or ‘explain’ and will follow some data response material or case study. Examiners marking the students’ answers will be looking for evidence of analytical thinking contained within the answer. Simply including a point both for and against a particular course of action will not necessarily allow the student to gain AO3 marks. Examiners will be searching for something more than this. Evidence of analytical thinking could take various forms. One form of this could be students following a clear chain of reasoning when considering the likely consequences of the proposed action on the business. Alternatively, the answer might go beyond the available data in the case study and bring in arguments that extend the data and create a fuller picture. Another possible way in which analysis might be identified is by bringing in business concepts or ideas to make sense and interpret the issue that is being explored.

Evaluation (AO3)

There will be questions on both of the papers that require students to write in an evaluative manner. These questions can be recognised because they will carry more marks than other questions and will contain command words, such as ‘evaluate’ and ‘justify’. If the command ‘recommend’ is used then the students will need to reach a clear decision based on their evaluation of the available material found within the case study.

The skill of evaluation requires students to make judgements on factors such as the relative strengths of preceding arguments or consider ways in which the arguments might be inappropriate for the situation being considered. To score well with AO3, it is essential that the evaluation is based firmly on the analysis contained within the answer, but that is not a mere repetition of it.

Having said this, teachers should be aware that examiners are not looking for extensive analytical and evaluative skills. They realise that there are time limitations within the papers and the students’ ages make this expectation unrealistic. Students will be rewarded with AO3 marks once it is clear that there is some analysis and/or evaluation present, even if these lack sophistication and consistency.

GET HELP AND SUPPORT

Visit our website for information, guidance, support and resources at oxfordaqaexams.org.uk

You can contact the business team directly;

E: business@oxfordaqaexams.org.uk



OXFORD INTERNATIONAL AQA EXAMINATIONS
LINACRE HOUSE, JORDAN HILL, OXFORD, OX2 8TA
UNITED KINGDOM
enquiries@oxfordaqaexams.org.uk
oxfordaqaexams.org.uk

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