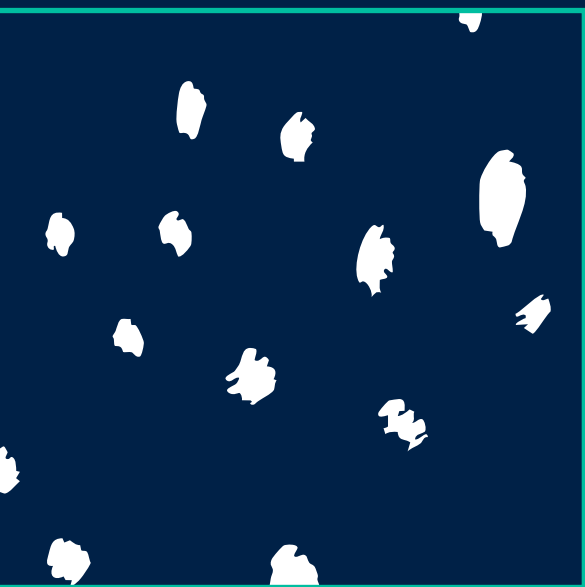


International AS and A-level **Business**

(9725) Specification



For teaching from September 2026 onwards

For International AS exams

May/June 2027 onwards

For International A-level exams

May/June 2028 onwards

For teaching and examination outside
the United Kingdom



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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 oxfordaqa.com/9725
- We will write to you if there are significant changes to the specification.

1 Introduction

1.1 Why choose OxfordAQA International AS and A-levels?

Our 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 OxfordAQA at oxfordaqa.com

1.2 Why choose our 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 Business, 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 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 oxfordaqa.com/business

1.3 Recognition

OxfordAQA meet the needs of international students. 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 ENIC, 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'.

To read their report and see the latest list of universities who have stated they accept these international qualifications, visit oxfordaqa.com/recognition

1.4 The Oxford International Programme learner attributes

In order to equip students with the skills they need for success both now and in the future, we have worked with Oxford University Press to create the Oxford International Programme. This combines the Oxford International Curriculum with OxfordAQA qualifications, creating an integrated offer for international schools, from Early Years to A-level.

At its core we have introduced the Oxford International Programme learner attributes – the skills and competencies that enable our students to thrive academically, socially and personally.

The learner attributes, alongside our focus on demonstrating higher order critical thinking skills, ensure that students are equipped to get the grades that will take them places, and build the skills they need to be successful when they get there



1.5 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
- command words with exemplars
- 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.

Analyse your students' results with Data Insights

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 oxfordaqa.com/9725

You can contact the subject team directly at info@oxfordaqa.com or call us on +44 (0)161 696 9725 (option 1 and then 1 again)

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

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

2 Specification at a glance

The titles of the qualifications are:

- OxfordAQA International Advanced Subsidiary Business.
- OxfordAQA 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 OxfordAQA International Advanced Subsidiary is 180. The guided learning hours (GLH) for an OxfordAQA 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 20)
- 3 Business analysis (page 31)
- 4 Business strategy (page 37)

2.2 International AS

Assessments

Unit 1: Business and markets What's assessed Any content from section 3.1 Business and markets. How it's assessed Written exam: 1 hour 15 minutes 60 marks 50% of International AS 20% of International A-level Questions Four compulsory sections: Section A has short answer questions worth 10 marks. Section B has calculation questions worth 10 marks. Section C has extended response questions worth 16 marks. Section D has extended response questions worth 24 marks.	+	Unit 2: Managing operations, human resources and finance What's assessed Any content from section 3.2 Managing operations, human resources and finance. How it's assessed Written exam: 1 hour 15 minutes 60 marks 50% of International AS 20% of International A-level Questions Four compulsory sections: Section A has short answer questions worth 10 marks. Section B has calculation questions worth 10 marks. Section C has two extended response questions worth 16 marks. Section D has two extended response questions worth 24 marks.
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2.3 International A2

Assessments

Unit 3: Business analysis	+	Unit 4: Business strategy
What's assessed		What's assessed
Any content from section 3.3 Business analysis		Any content from section 3.4 Business strategy
How it's assessed		How it's assessed
Written exam: 1 hour 45 minutes		Written exam: 1 hour 45 minutes
80 marks		80 marks
30% of International A-level		30% of International A-level
Questions		Questions
Two compulsory sections:		Two compulsory sections:
Section A has one case study followed by five short answer and extended response questions worth 40 marks.		Section A has one case study followed by five short answer and extended response questions worth 40 marks.
Section B has one case study followed by five short answer and extended response questions worth 40 marks.		Section B has one case study followed by five short answer and extended response questions worth 40 marks.

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
Entrepreneurs	- Reasons why people set up in business: financial and non-financial motivations - Characteristics of an entrepreneur: risk taker, resilient, hard working, creative, passionate, innovative, adaptable - Challenges of being an entrepreneur and starting up a business - How role of entrepreneur may change as business grows
Business objectives	- Typical business objectives: - Survival - Profit - Growth - Cash flow - Social - The features of effective objectives Specific, Measurable, Accountable, Realistic, Time specific (SMART) - The value of setting business objectives
Business plans	- The business plan - The key elements of a business plan : ownership, objectives, target market and market analysis, competitor analysis, unique selling point (USP) , financial analysis - The benefits and limitations of business plan - Meaning and significance of competitiveness

3.1.1.2 Types of business ownership

Content	Additional information
Forms of business	• Meaning of primary, secondary and tertiary sectors • Reasons for choosing different forms of business and for changing business forms • Advantages and disadvantages of different forms of business: • sole traders • partnerships • private limited companies (Ltd) • public limited companies (plc) • social enterprises • Meaning and significance of being a private sector or a public sector organisation. • Issues to consider when comparing forms of business: • control • objectives • sources of finance • distribution of profits • unlimited and limited liability. • The advantages and disadvantages of operating as a: • family business • small business.
Shareholders	• Reasons to be a shareholder • Meaning of share capital (equity) • Influences on share price and the significance of share price changes • Meaning and significance of : • dividends • dividends per share (including calculation) • dividend yield (including calculation) • market capitalisation (including calculation).

Business and stakeholders	• Internal stakeholders: • owners/shareholders • employees • External stakeholders: • customers • suppliers • creditors • community • government • The impact of business activity on stakeholders
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3.1.1.3 The external environment

Content	Additional information
Market conditions	- Students should be able to calculate and interpret data relating to: - market size (volume and value) - market growth/decline - market share - four firm concentration ratio - Barriers to entry into a market: entry costs, legal requirements, specialist knowledge, loyalty to existing businesses, access to resources or distribution - Effect of high or low barriers to entry into a market for existing businesses and customers - Impact of market conditions on demand, business decisions and profits eg saturated markets, dynamic markets.
External business environment	- How changes in the external business environment can affect costs, demand, business decisions and profits. - The effect of changes in: - incomes (including normal and inferior goods and services, calculation of income elasticity of demand and impact on quantity demanded if income changes and income elasticity of demand is known) - interest rates - exchange rates - costs of inputs - competition.

3.1.2 Marketing

3.1.2.1 Marketing objectives and plans

Content	Additional information
Marketing objectives	- Marketing objectives: - sales volume - sales value - market share - customer retention and repeat sales - brand loyalty - sales per product/employee/region/store/customer. - Students should be able to undertake calculations and interpret data relating to these objectives.
Marketing plans	- Elements of a marketing plan: - marketing objectives - marketing mix - marketing budget. - Purpose and value of marketing plans and the elements in them - Calculation of return on marketing spending
External and internal influences on marketing plans, objectives and decisions	- Influences on demand: price, income, competition, marketing activities, number of customers, customer preferences - Impact on marketing decisions of different market conditions and degrees of competition - Impact of resources on marketing activities: budget, skills of employees, capacity

3.1.2.2 Marketing data

Content	Additional information
Market research	- Advantages and disadvantages of different forms of primary market research: surveys/questionnaires, interviews, focus groups, observations. - Advantages and disadvantages of different forms of secondary market research: websites/social media, academic journals, government publications, media articles. - Value of qualitative and quantitative data - Advantages and disadvantages of types of samples: random, stratified and quota. - The value of sampling - The value of primary and secondary market research - Influences on choosing a form of market research: - cost - time required - reliability of findings.
Interpretation of marketing data	- The interpretation and use of marketing data in marketing decision making and planning - An understanding of the sign and size of the correlation value (positive v negative, strong v weak) - An understanding the concept of confidence levels and confidence intervals (eg, the significance of a 95% confidence level)

3.1.2.3 Segmentation, targeting and positioning

Content	Additional information
Segmentation, targeting and positioning	• The process of segmentation, targeting and positioning • Market segmentation methods: • demographic • geographic • psychographic • behavioural • The value of market segmentation • Influences on choosing a target market and positioning • Value of targeting • Advantages and disadvantages of niche and mass marketing • Meaning of positioning including premium and budget positioning • Reasons for, and challenges of, changing positioning.

3.1.2.4 The marketing mix

Content	Additional information
The elements of the marketing mix (4Ps)	- The marketing mix should be considered: - for goods and services - in a business-to-business (B2B) context - in a business-to-consumer (B2C) context - importance of and influences on an integrated marketing mix.
Product	- Influences on, and value of, new product development - Stages of new product development: idea generation, screening, concept testing, business analysis, product testing, launch - Factors affecting the success or failure of new products - Extension strategies: advertising, rebranding, lowering the price and adapting the product - The value of branding, including own label brands and brand loyalty
Pricing	- Influences on price: marketing objectives, target market, level of demand, price elasticity of demand, costs, competitors' prices and actions, marketing mix - Methods of pricing: cost based, demand based (penetration pricing, price skimming, dynamic pricing), competition based (premium, going rate, discount) - Students should be able to: - calculate and interpret the price elasticity of demand data - calculate and analyse the impact of changes in price on quantity demanded and revenue - calculate and interpret the cross-price elasticity of demand data (complements and substitutes) - calculate and analyse the impact of changes in price of one product on quantity demanded of another.

Content	Additional information
The promotional mix	• Purpose and value of promotion • Advantages and disadvantage of different elements of the promotional mix : advertising, sales, promotions, sales force, public relations, sponsorship, social media • Influences on the promotional mix
Distribution (place)	• Advantages and disadvantages of: • different channels of distribution and use of intermediaries (including online, agent, wholesaler, retailer) • multi-channel distribution. • Influences on distribution decisions
The importance of marketing	• Developments in technology in marketing (eg digital marketing, social media, dynamic pricing, e-commerce) • Ethical issues in marketing eg misleading promotions and targeting vulnerable groups • How marketing decisions influence competitiveness • The interrelationship between marketing decisions and other functions

3.2 Managing operations, human resources and finance

3.2.1 Operational performance

3.2.1.1 Operations management

Content	Additional information
Operations	- Operations objectives (including calculation): - total costs - unit costs - measures of quality (waiting times, delivery times, proportion of returned items, proportion of defects) - labour productivity - capacity - capacity utilisation - Other operational objectives: - flexibility - environmental objectives - Students should understand potential trade-offs in achieving operations objectives, eg costs versus speed of response, and that objectives vary in different operational contexts.
Operations processes	- Advantages and disadvantages of job, batch, flow and mass customisation - Advantages and disadvantages of labour and capital intensive processes

3.2.1.2 Operations competitiveness

Content	Additional information
Capacity	• Benefits of a high or low capacity utilisation • Advantages and disadvantages of making versus buying • Advantages and disadvantages of ways of managing supply to match demand eg to cope with high and low demand and fluctuating levels of demand (eg seasonal and cyclical): • Increasing or decreasing output • Increasing or decreasing inventory • Outsourcing • Flexible labour eg use of temporary, part-time, agency employees, zero hours contracts • Increasing or decreasing capacity • Problems of not matching supply to demand
Efficiency and productivity	• The importance of efficiency • Ways of increasing efficiency • Difficulties of increasing efficiency • The importance of labour productivity • Ways of increasing labour productivity • Difficulties of increasing productivity
Lean production	• The benefits and difficulties of lean production • Lean production should include: • Just in Time • Kaizen • Standardised processes • Teamwork
Customer service	• The value of good customer service • How to improve customer service: understand customer needs, improve customer experience, benchmark, train, reward loyalty monitor and act on customer feedback and satisfaction levels.

Content	Additional information
Quality	• The meaning and significance of quality • How to measure quality • Methods of improving quality: • Quality control • Quality assurance • Total quality management (TQM) • Quality circles • Benchmarking • The benefits and difficulties of improving quality • The costs of poor quality
The importance of operations management	• Developments in technology (eg online businesses, better links with customers, suppliers and inventory control) • Ethical issues in operations (eg product safety and environmental concerns) • Environmental issues in operations (eg pollution and carbon footprint) • How operations can affect the competitiveness of a business • The interrelationship between operational decisions and other functions

3.2.1.3 Inventory and supply chain management

Content	Additional information
Inventory	• Reasons to hold inventory • Influences on the amount of inventory held • Inventory control should include amending, completing and interpreting inventory control charts including: • lead time • re-order quantities and levels • buffer stock. • Just in time (JIT) versus Just in case (JIC) approach to inventory • The value of effective inventory control
Supply chain management	• Purpose and value of managing the supply chain, including relationships with suppliers and logistics from suppliers and to customers • Influences on sourcing supplies including number and choice of suppliers • Impact of supply chain issues on a business • Purpose and value of supply chain transparency and supplier third party accreditations

3.2.2 Human resources

3.2.2.1 Human resource objectives

Content	Additional information
Human resource objectives and planning	- Human resource objectives include: - number and skill level of employees - employee engagement - employee retention. - Human resource planning: recruitment, training, redeployment, retention, redundancies - Purpose and value of human resource planning - Importance of different stages of the recruitment process: job analysis, job description, person specification - Advantages and disadvantages of internal and external recruitment - Advantages and disadvantages of different selection methods: curriculum vitae (CV), application forms, interviews, references, testing, assessment centres - Advantages and disadvantages of different employment contracts: full time/part time/temporary/permanent/zero hours - The value of effective recruitment and selection - The value of training: induction, off the job, on the job

3.2.2.2 Human resource data

Content	Additional information
Human resource data	- Students should be able to calculate and interpret: - labour turnover - employee retention rates (including the percentage of employees still at the business 1 year after recruitment) - labour productivity - employee costs as percentage of turnover - labour costs per unit - sales and profit per employee. - Students should understand that the measures of human resource performance such as labour productivity will vary in different contexts.

3.2.2.3 Organisational design

Content	Additional information
Organisational design	- Influences on and impact of decisions regarding: - span of control - levels of hierarchy - tall versus flat structures - delegation - centralisation and decentralisation - employee representation rates. - Advantages and disadvantages of restructuring including delayering

3.2.2.4 Motivation

Content	Additional information
The benefits of motivated employees	Theories of motivation: Taylor's scientific management, Maslow's hierarchy of needs (self-actualisation, esteem, social, safety, basic), Herzberg's two-factor (hygiene and motivators)
How to improve employee motivation	- Advantages and disadvantages of different financial methods of motivation should include: - wages - piece rate pay - commission - salaries - performance-related pay - fringe benefits. - Advantages and disadvantages of different non-financial methods of motivation and engagement: - job enlargement - job enrichment - job rotation - empowerment - teamwork - Influences on the choice and assessment of the effectiveness of financial and non-financial methods of motivation.

3.2.2.5 Employer-employee relations

Content	Additional information
Employee involvement	• Value of employee involvement in decision making • Advantages and disadvantages of consultation, trade unions and employee forums • Influences on the extent and methods of employee involvement in decision making
Employer- employee relations	• The value of good employer-employee relations • Reasons for employer-employee conflict • Actions employees might take in a conflict: withdraw cooperation, work to rule, leave, strike, overtime ban • How to resolve conflicts in the workplace: participation, bargaining, arbitration • How to manage and improve employer-employee relations
Managing human resources	• The impact of developments in technology (eg changing the recruitment and selection process, the nature of work, the skills that are required and ways of working such as remote working) • The value of managing people effectively and impact on competitiveness • The interrelationship between human resource decisions and other functions • Ethical issues in human resources (eg unsafe working conditions and practices and low pay)

3.2.3 Finance

3.2.3.1 Sources of finance

Content	Additional information
Sources of finance	- Advantages and disadvantages of different internal sources of finance: - retained profits - sale of assets - sale and leaseback - working capital - Advantages and disadvantages of different external sources of finance: - trade credit - share capital - overdraft - loans - business angels - private equity - crowd funding - Appropriateness of different sources of finance in different situations, eg start-up

3.2.3.2 Break-even analysis

Content	Additional information
Break-even output	• Interpret and manipulate break-even charts • Calculate and interpret break-even output and profit/loss at different output levels • Understand the significance of and be able to calculate: • fixed costs • variable costs • total costs • revenue (or turnover) • profit • break-even output • margin of safety • contribution per unit • total contribution.

3.2.3.3 Profit and cash

Content	Additional information
Profit	• The meaning and significance of profit • The distinction between gross profit, operating profit and net profit and gross, operating and net profit margins • Calculate gross, operating and net profit and gross, operating and net profit margins • The meaning and significance of the difference between profit and cash • The meaning and significance of the difference between profit and profitability • Advantages and challenges of ways of improving profits and profitability
Budgeting	• Amend and interpret budget statements • Calculate and interpret adverse and favourable variances • Value of variance analysis • The value of budgeting
Cash flow forecasts	• The importance of cash • The meaning, purpose and value of cashflow forecasts • Amend, complete and analyse cash flow statements and forecasts, including calculating opening and closing balances • Analyse timings of cash inflows and outflows (including an understanding of payables, receivables, payables days and receivables days) • Advantages and disadvantages of ways of improving cashflow including debt factoring, shortening payment time from customers, early payment incentives, credit checks, increasing payment time to suppliers, reducing outgoings, better invoice management

3.3 Business analysis

3.3.1 Mission, objective and SWOT analysis

Content	Additional information
Mission, objectives and the business functions	- The purpose and value of mission statements - Objectives include shareholder value (including calculation of market capitalization) and shareholder returns (including calculation of dividend per share, dividend yield), growth, social and environmental objectives - Impact of different objectives on functional areas - Influences on the objectives set by a business
SWOT (strengths, weaknesses opportunities, threats) analysis	- The value of SWOT analysis (strengths, weaknesses opportunities, threats) - Strengths and weakness analysis to include (students should be able to calculate and interpret this data): - financial ratios including profitability, liquidity, gearing efficiency and shareholder - marketing data including market share, market size and growth, price and cross-price income elasticity of demand, correlation data, break-even, margin of safety data - operations data including labour productivity, customer satisfaction, unit costs, capacity, capacity utilization, environmental impact data - human resources data including labour turnover, employee engagement, labour costs, employee representation rates, employee retention rate
Stakeholder needs when making decisions	- The purpose and value of stakeholder mapping - Influences on stakeholder power and interest. - Stakeholder objectives and the possible overlap and conflict of these objectives - The value of considering stakeholder needs when making decisions - Managing the relationship with different stakeholders - The actions stakeholders can take and the potential impact of these on the business

3.3.2 Analysis the existing internal position of a business

Content	Additional information
Analysing product portfolio	Significance of product portfolio analysis for marketing planning: the Boston Matrix (dogs, cash cows, question marks and stars)
Assessing the performance of a business or parts of a business	- Interpreting and amending statements of financial position and income statements - Financial ratio analysis to include calculation and interpretation of: - profitability (profit margins and return on capital employed) - liquidity (current and acid test ratio) - gearing ratio - efficiency ratios: payables days, receivables days, inventory turnover - shareholder ratios: dividend per share, dividend yield - The value of ratio analysis - Purpose and value of profit centres - Importance of trends, benchmarking, context when analysing ratios including business environment and business objectives and strategy - Limitations of financial reporting: historic, lack of non-financial factors such as morale, brand reputation and environmental impact
Analysing business culture	- The importance of business culture - Factors influencing business culture: leadership and employee values, leadership style, mission, reward systems, organisational structure, customer expectations, business size - Impact of positive and negative business culture - Impact of strong versus weak business culture - The reasons for and problems of changing business culture

3.3.3 Analysing the industry environment

Content	Additional information
Analysis of industry environment	• Meaning and significance of Porter's five forces: rivalry, buyer power, supplier power, entry threat and substitute threat • Influences on the strengths of each of the five forces • Impact of the five forces on a business • How a business might influence the five forces • How a business might respond to changes in any of the five forces

3.3.4 Analysing the external environment to assess opportunities and threats

Students may focus on the external 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
PESTLE analysis (Political, Economic, Social, Technological, Legal, Environment)	The value of PESTLE analysis
Impact of the political and legal environment	- The impact of changes in the political and legal environment on strategy and the functional areas and how a business might respond to these changes. - An understanding of how the law within a country can affect: - competition - consumer protection - the labour market (including employee rights) - environmental issues - health and safety issues. - An understanding of specific laws is not required - The impact of government policy related to: - supporting businesses (eg grants and subsidies) - the ease of doing business - international trade agreements - protectionism: tariffs, quotas, trade regulations - investment in and quality of infrastructure in the economy. - An understanding of specific government spending and taxation policies is not required.

Content	Additional information
Impact of the economic environment	• The impact of changes in the national and global economic environment on strategy and the functional areas and how a business might respond to these changes. • Economic factors: • Gross domestic product (GDP), including growth and recession • Taxation rates (income tax, sales taxes, corporation tax) • The exchange rate (including exchange rate volatility, depreciation and appreciation and calculations of the impact of exchange rate changes on import costs and selling prices abroad) • Inflation/deflation (including interpreting changes in price index) • Unemployment rates • Interest rates (including calculation of interest rate changes on repayment)

Content	Additional information
Impact of the social, technological and environmental change	• The impact of social, technological and environmental changes on strategy and the functional areas and how a business might respond to changes. • Social environment: • The age structure of the population • Migration • The size and composition of the workforce • The education and training of those in the labour market • Cultural issues • The social environment to include corporate social responsibility (CSR) and: • the reasons for and against CSR • the pressures for and value of socially responsible behaviour • the difference between the stakeholder versus shareholder concept. • Technological change should include: • the impact of digital technology and disruptive technology • the impact of artificial intelligence. • Environmental changes to include climate change

3.3.5 Analysing future sales

Content	Additional information
Forecasting sales	• Calculation and use of three period moving average method to forecast sales • Value of extrapolation • Advantages and disadvantages of qualitative sales forecasting • The value of sales forecasting • Difficulties of sales forecasting • The impact of sales forecasting on business decision-making

3.4 Business strategy

3.4.1 Strategic options: choosing which markets to compete in and what products to offer

Content	Additional information
Strategy	• Meaning and significance of a strategy • Features of a strategic decision: difficult to reverse, high risk, involve significant resources, usually one off decisions • Influence of SWOT analysis on selecting a strategy (including calculating and interpreting SWOT data set out in 3.3.1) • The link between strategy and functional decisions
Markets and products	• Understand the Ansoff matrix and assess the value of: • market penetration • market development • product development • diversification. • Implications of these strategies for functional areas • Reasons for, and challenges of, changing strategy

3.4.2 Strategic positioning: Choosing how to compete

Content	Additional information
Strategic positioning	• Purpose and value of market mapping • Choosing a strategic position ie. how to compete in terms of benefits and price • Advantages and disadvantages of low cost versus differentiation strategies • Influences on the choice of a strategic positioning strategy • Implications of these strategies for functional areas
Competitive advantage	• The benefits of having a competitive advantage • The difficulties of maintaining a competitive advantage

3.4.3 Deciding on a strategic investment

Content	Additional information
Decision trees	• Complete, amend and interpret simple decision trees • Calculate expected values and net gain • Limitations of decision trees • The value of using decision trees
Investment decisions	• Meaning and significance of investment • Investment appraisal should include the calculation and interpretation of : • payback period • average rate of return • net present value. • Factors influencing investment decisions including: • investment criteria • non-financial factors • risk • uncertainty • business confidence • opportunity cost.

3.4.4 Types of strategies

Content	Additional information
Business growth	• Advantages and disadvantages of being a small or medium sized enterprise (SME) • Reasons why businesses grow • Economies of scale: purchasing, technical and financial • Diseconomies of scale: control, communication and coordination • Advantages and disadvantages of internal (organic) growth and external (inorganic) growth • Advantages and disadvantages of different methods of growth including mergers, acquisitions, franchising and joint ventures • Advantages and disadvantages of different forms of integration: vertical (backward and forward), horizontal and conglomerate • Reasons for, and problems of, retrenchment • Impact of growth and retrenchment on functional areas • Students should be able to calculate and interpret total cost, unit costs and capacity utilization.
Innovation	• Purpose and value of innovation • Meaning and significance of process and product innovation • Pressures for innovation • Ways of becoming innovative include: • Kaizen • research and development • intrapreneurship • benchmarking • cross functional teams. • The value of intellectual property (patents, copyright, trademarks) • The impact of an innovation strategy on the functional areas of the business. • Barriers to innovation

Content	Additional information
Globalisation	• Reasons for, and impact of, operating and trading globally • Reasons to be a multinational business • Factors influencing: • which international markets to target • whether to adapt the product for the international market • where to produce internationally including off shoring and re-shoring • how competitive the business is internationally • Impact of trading blocs such as ASEAN, EU and USMCA on businesses operating inside and outside them • Impact of protectionism including tariffs and quotas • When considering international markets, students should be able to calculate and interpret data relating to: • the price and income elasticity of demand in different markets • the impact of exchange rate, changes on prices and costs • four firm concentration ratio • market share, market growth, economic data including GDP growth • inflation, unemployment, interest rates. • Advantages and disadvantages of different methods of entering international markets: • export • licensing/franchising • joint ventures • Foreign direct investment (FDI)

Content	Additional information
Sustainability	• Meaning and significance of sustainability • Environmental sustainability reducing waste and emissions, using renewable resources, improving energy efficiency • Social sustainability: fair treatment of workers, supporting local communities, ethical sourcing • Economic sustainability: long-term profitability without exploiting resources or people • The challenges of implementing sustainability • The purpose and value of Triple Bottom Line reporting. Students should be able to calculate and interpret data relating to • gross margins • operating margins • net profit margins • profit margins • return on capital employed • labour turnover

3.4.5 Implementing a strategy

Content	Additional information
Strategy implementation	- Factors affecting the successful implementation of strategy: resources, quality of planning and monitoring, leadership, communication, external factors - The importance of links between mission, objectives, strategy and decisions in the functional areas
The value of network analysis	- Purpose and value of project management - Purpose and value of network analysis - Network analysis to include: - understanding and interpreting and amending network diagrams - amendment and completion of network diagrams - calculating Earliest Start Times, Latest Finish Times and Total Float - identifying the critical path and total float.
Strategic decision making	- The value of strategic planning - Why strategies fail - Reasons for strategic drift

3.4.6 Change, risk and uncertainty

Content	Additional information
Change	- Internal and external reasons for change - Advantages and disadvantages of change for stakeholders - Barriers to change including Kotter and Schlesinger's four reasons for employee resistance to change (self-interest, misunderstanding and lack of trust, inertia, different assessments of the situation) - Management of change including Lewin's Force Field analysis (driving and restraining forces) and Kotter and Schlesinger's six ways of overcoming resistance to change (education, participation, facilitation, negotiation, manipulation, coercion)

Content	Additional information
Risk and uncertainty	• The importance of assessing and planning for risk and uncertainty • Types of risk businesses face: • Financial risk: borrowing, profit, liquidity issues • Strategic risk: such as entering new markets, launching new products • Operational risk: such as disruption in production or supply chains • Compliance risk: failure to meet legal or regulatory requirements • Reputational risk: damage from negative publicity or customer dissatisfaction • Cybersecurity risk • Advantages and disadvantages of different methods to manage risk: • Conducting market research • Developing contingency and crisis management plans • Taking out insurance • Diversifying products, markets, or suppliers • Training • Forecasting • Cybersecurity measures • Advantages and disadvantages of different methods to manage uncertainty: • Scenario planning • Developing an agile business • Ways of developing an agile business: flat organisational structure, empowerment, transformational leadership, cross functional teams

4 Scheme of assessment

Find mark schemes, and specimen papers for new courses, on our website at [oxfordaqa.com/business](https://www.oxfordaqa.com/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 2027	✓		✓	
January 2028	✓		✓	
June 2028	✓	✓	✓	✓
January 2029 onwards	✓	✓	✓	✓
June 2029 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 and understanding of business terms, concepts, theories, methods and models.
- AO2: Apply knowledge and understanding to various business contexts.
- AO3: Analyse business issues, showing an understanding of the impact on individuals and organisations of external and internal influences.
- AO4: Evaluate qualitative and quantitative information to make informed judgements on business issues.

Quality of Written Communication (QWC)

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	Unit Weightings (approx %)		Overall weighting of AOs (approx %)
	Unit 1	Unit 2	
AO1	19.15	19.15	38.3
AO2	10.85	10.85	21.7
AO3	13.35	13.35	26.7
AO4	6.65	6.65	13.3
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 (approx %)
	Unit 1	Unit 2	Unit 3	Unit 4	
AO1	7.65	7.65	7.5	7.5	30.3
AO2	4.35	4.35	7.5	7.5	23.7
AO3	5.35	5.35	9	9	28.7
AO4	2.65	2.65	6	6	17.3
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 A-level (AS)	Maximum uniform mark
Unit 1	60	50	80
Unit 2	60	50	80
International AS Qualification	–	100	160
Unit 1	60	20	80
Unit 2	60	20	80
Unit 3	80	30	120
Unit 4	80	30	120
International A-level	–	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 OxfordAQA.

More information on all aspects of administration is available at oxfordaqa.com/exams-administration

For any immediate enquiries please contact info@oxfordaqa.com

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	OxfordAQA Exams entry code
OxfordAQA International Advanced Subsidiary Business	9726
OxfordAQA International Advanced Level Business	9727

Please check the current version of the Entry Codes book and the latest information about making entries on oxfordaqa.com/exams-administration

You should use the following unit entry codes:

Unit 1 – BSS1

Unit 2 – BSS2

Unit 3 – BSS3

Unit 4 – BSS4

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 (7137 and 7138).

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 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.

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 when they become OxfordAQA centres.

5.7 Working with OxfordAQA for the first time

You will need to apply to become an OxfordAQA centre to offer our specifications to your students. Find out how at oxfordaqa.com/centreapprovals

5.8 Private candidates

Centres may accept private candidates for examined units/components only with the prior agreement of OxfordAQA. If you are an approved OxfordAQA centre and wish to accept private candidates, please contact OxfordAQA at: info@oxfordaqa.com

Private candidates may also enter for examined only units/components via the British Council; please contact your local British Council office for details.

6 Appendix: Quantitative skills in business

In order to be able to develop their skills, knowledge and understanding in business, students need to have acquired competence in quantitative skills that are relevant to the subject content and which are applied in the context of business.

At AS level, Section B of Units 1 and 2 will be made up of three calculation questions worth a total of 10 marks (2 marks, 4 marks and 4 marks).

At A2 level, the first question of each case study in Units 3 and 4 will be a calculation question worth 4 marks. This means there is a total of 8 marks for calculations in each A2 paper.

Students may also be presented with quantitative information which they will need to interpret, analyse or evaluate for other questions in the papers.

This quantitative information may be in the form of the values of a business concept (such as market share or capacity utilisation) or diagrams and charts (such as network analysis or break-even charts).

The quantitative skills will include calculating, interpreting and analysing:

- percentages and percentage changes
- index numbers
- ratios
- averages.

7 Appendix: Formulae and Key data

AS

1	$\text{Dividend per share} = \frac{\text{Total dividends paid}}{\text{Number of ordinary shares in issue}}$
2	$\text{Dividend yield (\%)} = \frac{\text{Dividend per share}}{\text{Market price per share}} \times 100$
3	$\text{Market capitalisation} = \text{Total number of shares in issue} \times \text{Current market price per share}$
4	$\text{Sales volume} = \text{Number of units sold in a time period}$
5	$\text{Sales value} = \text{Number of units sold in a time period} \times \text{Average selling price per unit}$
6	$\text{Market share (\%)} = \frac{\text{Sales of a business}}{\text{Total market sales}} \times 100$
7	$\text{Market growth (\%)} = \frac{\text{Change in market size}}{\text{Original market size}} \times 100$
8	$\text{Customer retention rate (\%)} = \frac{(\text{End Period Customers} - \text{New Customers})}{\text{Start Period Customers}} \times 100$
9	$\text{Sales per product} = \text{Value of sales by volume or value}$
10	$\text{Sales per employee} = \frac{\text{Value of total sales}}{\text{Average number of employees in the period}}$
11	$\text{Sales per region} = \frac{\text{Value of total sales}}{\text{Number of regions}}$

12	$\text{Sales per store} = \frac{\text{Value of total sales}}{\text{Number of stores}}$
13	$\text{Sales per customer} = \frac{\text{Value of total sales}}{\text{Number of customers}}$
14	$\text{Return on marketing spending (\%)} = \frac{\text{Profit from marketing activities}}{\text{Marketing spend}} \times 100$
15	$\text{Price elasticity of demand} = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$
16	$\text{Income elasticity of demand} = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in income}}$
17	$\text{Cross price elasticity of demand} = \frac{\% \text{ change in quantity demanded of Good A}}{\% \text{ change in price of Good B}}$
18	$\text{Total costs} = \text{Total fixed costs} + \text{Total variable costs}$
19	$\text{Unit cost} = \frac{\text{Total costs}}{\text{Output}}$
20	$\text{Waiting times} = \frac{\text{Total waiting time}}{\text{Number of customers}}$
21	$\text{Delivery times} = \frac{\text{Total delivery time}}{\text{Number of deliveries}}$
22	$\text{Proportion of returned items (\%)} = \frac{\text{Number of returned items}}{\text{Number of sold items}} \times 100$

23	Proportion of defects (%) = $\frac{\text{Number of defective items}}{\text{Number of items produced}} \times 100$
24	Capacity = Maximum potential output
25	Capacity utilisation (%) = $\frac{\text{Actual output}}{\text{Maximum potential output}} \times 100$
26	Labour turnover (%) = $\frac{\text{Number of employees leaving in a year}}{\text{Average number of total employees}} \times 100$
27	Employee retention rate (%) = $\frac{\text{Number of employees at the end of a period}}{\text{Average number of employees at the start of a period}} \times 100$
28	Labour productivity = $\frac{\text{Output of the organisation in a period of time}}{\text{Average number of employees during the period}}$
29	Employee costs as a percentage of turnover (%) = $\frac{\text{Total employee costs in the period}}{\text{Total revenue in the period}} \times 100$
30	Labour costs per unit = $\frac{\text{Total labour costs in the period}}{\text{Units of output produced in the period}}$
31	Sales per employee = $\frac{\text{Total sales revenue in a period}}{\text{Average number of employees in the period}}$
32	Profit per employee = $\frac{\text{Total profit in a period}}{\text{Average number of employees in the period}}$

33	Break-even output = $\frac{\text{Fixed costs}}{\text{Contribution per unit}}$
34	Variable costs = Variable cost per unit × Number of units
35	Revenue (turnover) = Price per unit × Quantity sold
36	Profit = Total revenue - Total costs
37	Margin of safety = Actual output - Break-even output
38	Contribution per unit = Selling price per unit - Variable cost per unit
39	Total contribution = Contribution per unit × Number of units sold
40	Gross Profit = Revenue - Cost of sales
41	Operating Profit = Gross profit - Operating expenses
42	Net Profit = Operating profit - Interest – Taxes
43	Gross profit margin (%) = $\frac{\text{Gross profit}}{\text{Revenue}} \times 100$
44	Operating profit margin (%) = $\frac{\text{Operating profit}}{\text{Revenue}} \times 100$

45	Net profit margin (%) = $\frac{\text{Net profit}}{\text{Revenue}} \times 100$
46	Variance = Actual figure - Budgeted figures
47	Opening balance = Closing balance from previous period
48	Closing balance = Opening balance + Net cash flow

A2

49	Current ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$
50	Acid test ratio = $\frac{(\text{Current assets} - \text{Inventory})}{\text{Current liabilities}}$
51	Capital employed = Non-current liabilities + Total equity
52	Gearing ratio (%) = $\frac{\text{Non-current liabilities}}{\text{Capital employed}} \times 100$
53	Return on capital employed (%) = $\frac{\text{Operating profit}}{\text{Capital employed}} \times 100$
54	Payable days = $\frac{\text{Trade payables}}{\text{Cost of sales}} \times 365$
55	Receivable days = $\frac{\text{Trade receivables}}{\text{Revenue}} \times 365$

56	Inventory turnover = $\frac{\text{Cost of sales}}{\text{Average inventory}}$
57	Interest rate =% rate charged on initial amount borrowed Cost of an interest rate change =interest rate charge at new interest rate - interest rate charge at original interest rate
58	Three period moving average = $\frac{(\text{Period 1} + \text{Period 2} + \text{Period 3})}{3}$
59	Expected value (decision trees) =(Outcome 1 × Probability 1)+ (Outcome 2 × Probability 2)+...-costs
60	Net Gain (decision trees) = Expected value - Cost of investment
61	Payback period = $\frac{\text{Amount remaining}}{\text{Net cash inflow in year}}$
62	Average rate of return(%) = $\frac{\text{Average annual profit}}{\text{Initial investment}} \times 100$
63	Net present value (NPV) Cash flow × Discount factor=Present value Net present value= Present value -Cost of investment
64	Four firm concentration ratio(%) = $\frac{\text{Sales of four largest firms}}{\text{Total market sales}} \times 100$
65	Inflation (%) = $\frac{(\text{New consumer price index} - \text{Old consumer price index})}{\text{Old consumer price index}} \times 100$
66	Earliest Start Time (Critical Path Analysis) = Largest (Earliest start time of previous+Duration)

67	Latest Finish Time (Critical Path Analysis) = Smallest (Latest finish time of next-Duration)
68	Float (Critical Path Analysis)= Latest finish times-Earliest start times-Duration)



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We look forward to supporting you and your students on this journey.

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